From: <u>Jennifer Jin</u>

To: Mark Hogan; Erika Julsrud; Kathie Colbert

Subject: Re: WED AM Update: Record cold forces closures of state offices, UW-Madison; Foxconn may shift from making LCD

screens in WI

Date: Wednesday, January 30, 2019 1:44:25 PM

Hi Mark,

We will get this out to the Board ASAP.

Jenn

From: Mark Hogan

**Sent:** Wednesday, January 30, 2019 1:40:19 PM **To:** Jennifer Jin; Erika Julsrud; Kathie Colbert

**Subject:** Fwd: WED AM Update: Record cold forces closures of state offices, UW-Madison; Foxconn

may shift from making LCD screens in WI

Attached is a WisPolitics email from this morning which includes a Reuters' article on Foxconn and also the company's response. My next email will include WEDC's response that has now been issued to various media outlets.

Please put these 3 documents (Reuters article, Company's response & our response) in an email to the board with the following comment from me:

"Earlier today, Reuters published the accompanying article about Foxconn's investment in Wisconsin. The company's & WEDC's responses are also attached. Secretary Brennan & I have had conversations with company officials today during which the company stands by its response which acknowledged its ongoing commitment to the state of Wisconsin. Please contact me directly should you have questions. - Mark"

Get Outlook for iOS

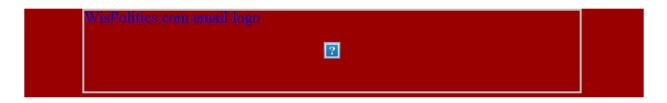
From: WisPolitics.com <news@wispolitics.com>

Sent: Wednesday, January 30, 2019 8:35 AM

To: Mark Hogan

Subject: WED AM Update: Record cold forces closures of state offices, UW-Madison; Foxconn may shift

from making LCD screens in WI



## WED AM Update -- 30 Jan. 2019

Exclusively for WisPolitics Subscribers - DO NOT FORWARD



Association of Wisconsin Lobbyists

From WisPolitics.com ...

-- State offices will be closed today for the first time since 2012 after Gov. Tony Evers declared a state of emergency last night due to the "ongoing winter storm and potentially life-threatening temperatures."

"It's critically important that we're ensuring the people of Wisconsin and our public employees are safe in these dangerous weather conditions," Evers said. "I am urging people to prepare for this severe weather and to exercise caution when traveling or going outdoors."

The order doesn't impact the Capitol, which will remain open to the public.

Speaker Robin Vos, R-Rochester, has closed the Assembly for the day due to "life-threatening conditions." A public hearing held by Joint Legislative Audit Committee that was slated for 10 a.m. has also been canceled.

Meanwhile, Senate Chief Clerk Jeff Renk sent an email to members last night that the Senate will remain open Wednesday, though he urged senators to use "discretion when advising their staffs on travelling to the Capitol during the period of inclement weather."

Evers' order, coming ahead of wind chills that are expected to hit minus-40 to minus-55 in the Madison area today, directs agencies to allow employees to use appropriate leave to miss work.

The order doesn't apply to those whose duties include emergency response, along with public health and safety.

The Department of Corrections is cancelling all public visitations for the day, while the Department of Transportation will shutter DMV service centers and the Department of Health Service will close some government benefits call centers.

State offices were last closed on Dec. 19, 2012, when then-Gov. Scott Walked closed them to the public and allowed non-emergency employees to be excused from coming in by taking the appropriate leave.

He issued a similar order for Feb. 1, 2011, while then-Gov. Jim Doyle closed all state offices and the University of Wisconsin except for essential personnel on Dec. 9, 2009. Doyle's order directed state agencies to inform most state workers to stay home.

Evers' executive order leaves it up to the UW System to make its own determinations. UW-Madison had already announced it was canceling classes and activities starting at 5 p.m. yesterday and ending at noon Thursday.

This is the first time the university has closed for a full day since December 2012.

-- The Foxconn Technology Group says it remains committed to its Wisconsin project as a top company executive told Reuters the Taiwanese manufacturer is looking at shifting away from LCD manufacturing in the state and instead focusing on a technology hub.

Louis Woo, special assistant to Foxconn Chief Executive Terry Gou, told Reuters the company is looking to hire mostly engineers and researchers in Wisconsin instead of a manufacturing workforce.

In its statement this morning, the Foxconn Technology Group said it has adjusted plans for all projects, including Wisconsin, to reflect market demands.

"While the project's focus will be adjusted to meet these new realities, the Wisconsin project remains a priority for our company," the statement said.

While Foxconn initially pledged to make "large-sized LCD panels which will be used in a

wide range of technologies," according to past statements from the company, officials later announced the facility would also produce panels that "will be used in a wide range of applications that impact consumers' daily lives," including notebooks, monitors and more.

But Woo told Reuters in addition to moving away from LCD manufacturing, the company was looking at using the Wisconsin facility for packaging and assembly operations that would manufacture "specialized tech products."

In the report, Woo noted the high costs to produce advanced TV screens in the U.S., where labor expenses are higher than in other countries.

The Foxconn Technology Group's statement said the company is looking at ways to promote research and development at its Wisconsin facility. But the statement didn't address Reuters' report, citing company sources, that Foxconn is now looking at employing closer to 1,000 workers at the end of 2020 rather than the 5,200 originally targeted. Reuters also reported Foxconn was prepared to walk away from future incentives if it wasn't able to hit Wisconsin's job creation and capital investment requirements.

Earlier this month, Foxconn reported to the Wisconsin Economic Development Corp. that it had created 178 jobs that met the requirements to qualify for tax credits included in the state's nearly \$3 billion incentive package.

But that was 82 jobs short of the minimum 260 needed to qualify for the credits, and the company had a target of 1,040.

In today's statement, the company said it remained committed to its original announcement of creating 13,000 jobs.

Assembly Minority Leader Gordon Hintz, a frequent critic of the project, said the development was the latest example of the company falling short of its original promises. He said that runs from first promising to produce cutting edge, large LCD panels to then scaling back the size of the screens to now looking at a mostly engineering facility.

"The only part you had to get right if you were Foxconn was transparency and accountability, and I don't think there's anybody in the state right now who has any idea

what their plans are, including Foxconn," said Hintz, D-Oshkosh.

See the report:

https://www.reuters.com/article/us-foxconn-wisconsin-exclusive/exclusive-foxconn-reconsidering-plans-to-make-lcd-panels-at-wisconsin-plant-idUSKCN1PO0FV

See the Foxconn statement:

https://www.wispolitics.com/2019/foxconn-technology-group-statement/

-- Department of Safety and Professional Services Secretary Dawn Crim has announced two additions to her leadership team.

They are: Dan Hereth, who will serve as assistant deputy secretary and Crim's chief of staff; and Al Rohmeyer, who will continue as chief legal counsel.

Hereth previously served as deputy district director for Rep. Gwen Moore, D-Milwaukee, a post he has held since 2007.

Rohmeyer has served as in his current capacity since 2017. He previously served as an attorney supervisor and as the administrator of the Division of Legal Services and Compliance.

-- Evers Chief of Staff Maggie Gau says the guv is "supportive of the legislation" on the so-called "dark store loophole."

Speaking at a WisPolitics.com luncheon in Madison yesterday, Gau said Evers is targeting a solution that would address the loophole.

The issue was addressed by lawmakers last year, but their efforts failed at the 11th hour.

Gau left open the possibility it may be a budget item.

"I think you'll be seeing more from us on this issue," she said.

See more from the luncheon in yesterday's PM Update and Friday's REPORT.

\*\*\*\*\*\*\*\*\*\*\*

## Jan. 29: WisPolitics.com Luncheon with Evers Chief of Staff Maggie Gau

Join WisPolitics.com for lunch at The Madison Club, 5 East Wilson St., Madison, on Tuesday, Jan. 29 with Gov. Tony Evers' Chief of Staff Maggie Gau. Gau will discuss Tony Evers' victory in 2018 and top administration priorities in 2019.

Check-in and lunch begins at 11:30 a.m., with the program going from 12 p.m. to 1 p.m.

WisPolitics.com subscribers and members as well as Madison Club members and their guests receive discounted pricing for WisPolitics luncheons of \$19 per person. Price for general public is \$25 per person.

This luncheon is sponsored by: Husch Blackwell, American Family Insurance, Xcel Energy, Walmart, AARP Wisconsin and the Wisconsin Hospital Association.

******	*********	
	Advertisement	
	?	
	University of Wisconsin-Madison	
_	Advertisement	
	2	
	The Madison Club	

Register here: <a href="https://januarywispolitics.eventbrite.com">https://januarywispolitics.eventbrite.com</a>

#### **TOP HEADLINES**

## Foxconn may not build \$10B Wisconsin plant Trump touted

... [Foxconn's Woo] said the company was still evaluating options for Wisconsin, but cited the steep [labor] cost of making advanced TV screens in the United States ... "In terms of TV, we have no place in the U.S. We can't compete. ... If a certain size of

From: Racine County Eye
To: Kelly Lietz

Subject: Re: WEDC Statement on Foxconn Investment in Wisconsin

Date: Wednesday, January 30, 2019 2:06:05 PM

Attachments: <u>image012.png</u>

image013.png image014.png image015.png image016.png

Has Evers talked about or proposed changing any policies that could impact this project? IE tax credits for manufacturers?

**Employers:** List your jobs locally or nationally on the Racine County Eye news website today on our jobs board.

Thank you, Denise Lockwood

CEO of the Racine County Eye

Cell: (262) 504-9570



On Wed, Jan 30, 2019 at 1:54 PM Kelly Lietz < kelly.lietz@wedc.org > wrote:

#### Statement from Wisconsin Economic Development Corporation Secretary & CEO Mark R. Hogan:

"Over the past 45 years, Foxconn's success has been based on the company's ability to foresee and adapt to technological advancements. Foxconn's long-term success both globally and within Wisconsin is centered around the alignment of its business model with ever-changing global economic conditions, including evolving customer demands.

WEDC's performance-based contract with Foxconn provides the company the flexibility to make these business decisions, and at the same time, protects Wisconsin's taxpayers. As has been reported, Foxconn will not qualify for tax credits until, at the earliest, 2020, and then only if the company meets its annual job creation and capital investment requirements. Our ongoing discussions with company officials reflect Foxconn's continued commitment to the State of Wisconsin."

Also, here is a release from the Governor's Office providing additional perspective:

Office of Governor Tony Evers
?

FOR IMMEDIATE RELEASE: January 30, 2019

Contact: GovPress@wisconsin.gov or 608-219-7443

## Secretary-designee Joel Brennan Responds to Foxconn Statement

MADISON -- Following is a statement from Wisconsin Department of Administration Secretary-designee Joel Brennan in response to recent developments in the Foxconn project:

"The administration is in regular, weekly communication with senior leadership at Foxconn, however, we were surprised to learn about this development.

"While some of the information reported today has been previously reported publicly, other details about the continuing evolution of this project will require further review and evaluation by our team. Our team has been in contact with Foxconn since learning this news and will continue to monitor the project to ensure the company delivers on its promises to the people of Wisconsin.

"The governor has always said that protecting Wisconsin taxpayers, the local communities that have already made significant investments in this project, and our environment are his chief concerns.

"In the coming weeks, the Evers Administration will continue to commit time, resources, and personnel to ensure that the interests of Wisconsin workers and taxpayers are protected and promoted by our approach to the Foxconn project."

###

Office of the Governor ♦ 115 East Capitol, Madison, WI 53702

Press Office: (608) 219-7443 ♦ Email: GovPress@wisconsin.gov

https://evers.wi.gov ◆ Unsubscribe

This email was sent to <a href="mark.maley@wedc.org">mark.maley@wedc.org</a> using GovDelivery Communications Cloud on behalf of the State of Wisconsin · 115 East, State Capitol · Madison, WI 53702

Kelly Lietz

Vice President, Marketing and Brand Strategy

Wisconsin Economic Development Corporation

201 W. Washington Avenue

Madison, WI 53703

Ph: 608.210.6858

 From:
 Jim Paetsch

 To:
 Mark Hogan

 Cc:
 Tim Sheehy

**Subject:** FW: FW: Joint Statement: Foxconn's Plans in Wisconsin

Date: Wednesday, January 30, 2019 2:24:50 PM

Attachments: <u>Joint Statement.Foxconn.docx</u>

Joint Statement.Foxconn.pdf

Jim Paetsch Vice President Milwaukee 7 756 N. Milwaukee St., 4th Floor Milwaukee, WI 53202 P 414.287.4171 jpaetsch@mke7.com www.choosemilwaukee.com

From: Jenny Trick <jtrick@rcedc.org>

**Sent:** Wednesday, January 30, 2019 1:00 PM **To:** Jim Paetsch < jpaetsch@mke7.com>

Subject: Fwd: FW: Joint Statement: Foxconn's Plans in Wisconsin

Jenny Trick, Executive Director

Racine County Economic Development Corporation

Sturtevant, WI 53177 T: 00+1.262.898.7424

2320 Renaissance Boulevard

M: 0 <u>LinkedIn</u>

www.RCEDC.org

Questions on Foxconn? <u>Foxconn In Racine County</u> **Invest in Racine County's Future:** <u>Invest in RCEDC</u>

----- Forwarded message ------

From: James Madlom < jmadlom@muellercommunications.com>

Date: Wed, Jan 30, 2019 at 11:34 AM

Subject: Fwd: FW: Joint Statement: Foxconn's Plans in Wisconsin

To: Claude Lois <<u>clois@mtpleasantwi.gov</u>>, Jenny Trick <<u>jtrick@rcedc.org</u>>

## JAMES MADLOM

Partner | Chief Operating Officer

**Mueller Communications LLC** 

Office: 414.390.5500 | Mobile:
Visit our website | Follow us on LinkedIn and Twitter

----- Forwarded message -----

From: Boyle, MT < MT.Boyle@racinecounty.com>

**Date:** Jan 30, 2019, 11:32 AM -0600

To: James Madlom < <u>imadlom@muellercommunications.com</u>>, Elizabeth A. Hummitzsch

<ehummitzsch@muellercommunications.com>

Subject: FW: Joint Statement: Foxconn's Plans in Wisconsin

**From:** Rep.Vos < Rep.Vos@legis.wisconsin.gov> **Sent:** Wednesday, January 30, 2019 11:29 AM **To:** Rep.Vos@legis.wisconsin.gov>

**Subject:** Joint Statement: Foxconn's Plans in Wisconsin



# WISCONSIN LEGISLATURE

P.O. Box 7882 • Madison, WI 53707-7882

FOR IMMEDIATE RELEASE January 30, 2019 5660

Rep. Robin Vos (608) 266-9171 Sen. Scott Fitzgerald (608) 266-

### Joint Statement: Foxconn's Plans in Wisconsin

Madison...Assembly Speaker Robin Vos (R-Rochester) and Senate Majority Leader Scott Fitzgerald (R-Juneau) released the following statement on the Foxconn commitment to

"In a short time, Foxconn has made a positive impact across Wisconsin with more than 1,000 new jobs, an investment of \$200 million, three innovation centers and one of the largest gifts ever of \$100 million to the UW-Madison. We don't blame Foxconn for altering plans in an ever-changing technology business. It's also not surprising Foxconn would rethink building a manufacturing plant in Wisconsin under the Evers Administration. The company is reacting to the wave of economic uncertainty that the new governor has brought with his administration. Governor Evers has an anti-jobs agenda and pledged to do away with a successful business incentive for manufacturing and agriculture.

"It's disappointing to see Democrats rooting for the failure of Foxconn and trying to undermine this historic opportunity for our state. Democrats don't want thousands of family-supporting careers; they want a political talking point.

"From the very beginning, we looked out for the best interest of the taxpayers of the state. Not a dollar would be paid out until jobs in the Foxconn development area were created. The incentive package is based on fulfilling the contract. We will continue to work with Foxconn to help the company meet its repeated goal of creating 13,000 jobs in Wisconsin. Again, the company has reiterated that this goal hasn't changed.

"Republicans will do all that we can to keep Wisconsin open for business and the Manufacturing and Agriculture Tax Credit in place. This news only strengthens our commitment to Wisconsin: we aren't going to let our state move backward."

###



# **WISCONSIN LEGISLATURE**

P.O. Box 7882 • Madison, WI 53707-7882

FOR IMMEDIATE RELEASE January 30, 2019

Rep. Robin Vos (608) 266-9171 Sen. Scott Fitzgerald (608) 266-5660

### Joint Statement: Foxconn's Plans in Wisconsin

**Madison...**Assembly Speaker Robin Vos (R-Rochester) and Senate Majority Leader Scott Fitzgerald (R-Juneau) released the following statement on the Foxconn commitment to Wisconsin.

"In a short time, Foxconn has made a positive impact across Wisconsin with more than 1,000 new jobs, an investment of \$200 million, three innovation centers and one of the largest gifts ever of \$100 million to the UW-Madison. We don't blame Foxconn for altering plans in an ever-changing technology business. It's also not surprising Foxconn would rethink building a manufacturing plant in Wisconsin under the Evers Administration. The company is reacting to the wave of economic uncertainty that the new governor has brought with his administration. Governor Evers has an anti-jobs agenda and pledged to do away with a successful business incentive for manufacturing and agriculture.

"It's disappointing to see Democrats rooting for the failure of Foxconn and trying to undermine this historic opportunity for our state. Democrats don't want thousands of family-supporting careers; they want a political talking point.

"From the very beginning, we looked out for the best interest of the taxpayers of the state. Not a dollar would be paid out until jobs in the Foxconn development area were created. The incentive package is based on fulfilling the contract. We will continue to work with Foxconn to help the company meet its repeated goal of creating 13,000 jobs in Wisconsin. Again, the company has reiterated that this goal hasn't changed.

"Republicans will do all that we can to keep Wisconsin open for business and the Manufacturing and Agriculture Tax Credit in place. This news only strengthens our commitment to Wisconsin: we aren't going to let our state move backward."



# **WISCONSIN LEGISLATURE**

P.O. Box 7882 • Madison, WI 53707-7882

FOR IMMEDIATE RELEASE January 30, 2019

Rep. Robin Vos (608) 266-9171 Sen. Scott Fitzgerald (608) 266-5660

## Joint Statement: Foxconn's Plans in Wisconsin

**Madison...**Assembly Speaker Robin Vos (R-Rochester) and Senate Majority Leader Scott Fitzgerald (R-Juneau) released the following statement on the Foxconn commitment to Wisconsin.

"In a short time, Foxconn has made a positive impact across Wisconsin with more than 1,000 new jobs, an investment of \$200 million, three innovation centers and one of the largest gifts ever of \$100 million to the UW-Madison. We don't blame Foxconn for altering plans in an ever-changing technology business. It's also not surprising Foxconn would rethink building a manufacturing plant in Wisconsin under the Evers Administration. The company is reacting to the wave of economic uncertainty that the new governor has brought with his administration. Governor Evers has an anti-jobs agenda and pledged to do away with a successful business incentive for manufacturing and agriculture.

"It's disappointing to see Democrats rooting for the failure of Foxconn and trying to undermine this historic opportunity for our state. Democrats don't want thousands of family-supporting careers; they want a political talking point.

"From the very beginning, we looked out for the best interest of the taxpayers of the state. Not a dollar would be paid out until jobs in the Foxconn development area were created. The incentive package is based on fulfilling the contract. We will continue to work with Foxconn to help the company meet its repeated goal of creating 13,000 jobs in Wisconsin. Again, the company has reiterated that this goal hasn't changed.

"Republicans will do all that we can to keep Wisconsin open for business and the Manufacturing and Agriculture Tax Credit in place. This news only strengthens our commitment to Wisconsin: we aren't going to let our state move backward."

From: Kelly Lietz
To: Jela Trask

Subject: Foxconn Statement

**Date:** Thursday, January 31, 2019 12:42:45 PM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image005.png image007.png image008.png image009.png image010.png

https://www.wispolitics.com/2019/foxconn-technology-group-statement/

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>



From: Mark Hosen
To: Entry Liefz
Subject: Rr: Simponus to Nikkel Asian Review article
Date: Thurnday, January 21, 2019 1:02:28 PM

I am simply responding to the Nikkei's reference there are side deals - there are no side deals

Get Outlook for iOS

From: Kelly Lietz <a href="kelly.lietz@wedc.org">kent: Thursday, January 31, 2019 1:00 PM</a>
To: Mark Hogan
Subject: FW: Response to Nikkei Asian Review article

Received this question from State Journal:

Could you please clarify exactly what is meant by "side deals" in Hogan's statement? Does that refer to innovation centers or the Milwaukee headquarters or something else? Just looking to get as much clarity as possible

For context, here is the original reference to "side deals" in the Nikkei story:

+++ The changes to the construction schedule follow last November's election defeat of Republican Gov. Scnt Walker, a Trump ally who backed nearly \$4 billion in tax breaks and other incentives for the project, people familiar with the matter said. Incumbent Gov. Evers, a Democrat, approached Foxcom to renegotiate some of the side deals his predecessor made with the company, there sources told Walker.

We can either clarify our under of what is meant my "side deals" here, or distance ourselves from any understanding of this matter, as it does not align with our understanding of what has taken place. Please advise.

Kelly

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858

------Original Message-----From: Riley Vetterkind «RVetterkind@ madison.com> Sent: Thursday, January 31, 2019 12:51 PM To: Kelly Lietz -kelly, lietz@ wedc.org> Subject: Re: Response to Nikkei Asian Review article

Could you please clarify exactly what is meant by "side deals" in Hogan's statement? Does that refer to innovation centers or the Milwaukee headquarters or something else? Just looking to get as much clarity as possible.

From: Kelly Lietz <kelly.lietz@wedc.org>
Sent: Thursday, January 31, 2019 10:39 AM
To: Riley Vetterkind
Subject: RE: Response to Nikkei Asian Review article

Riley,

Forcom's statement issued yesterday addresses this: Forcom's Statement from yesterday addresses this: https://mid/sufeinks.protection.outlook.com "Arti-https://ka.Plw.Fluitdefense.protejoint.com's.IP-%; FluithsFluis.

Additionally, here is a statement from Mark R. Hogan, WEDC Secretary and CEO:

Thave been involved with the Foxconn project from day one and there never have been any side deals and the contract stands on its own. In addition, there have been no attempts by either the company or the Evers' or Walker adr

Governor Evers and his administration have done a very good job of reaching out to company officials and developing a relationship that will protect our taxpayers' interests and at the same time, give Foxcoan the ability to be successful in Wisconsin."

Kelly Lietz
Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation
201 W. Washington Avenue
Madison, WI 53703

Website: https://mid.sefeinks.grozection.outlook.com/hul-https%.iA% 2P%-Epriddefense.grozeforjoint.com%.2P%-S-pirits.Ffr%, 120m.j. 25d, pinisconsin.com%.26d%-3.DOw/Epq.%26%-3.DOC/Lo38be/jp/Cy/446G7 objegs.2e%-3.Dbe/Epq.%2e%-3.Dbe/

....Original Message-....
From: Riley Vetterkind «RVetterkind@madison.com>
Sent: Thursday, January 31, 2019 10:08 AM
To: Kelly Lietz - kelly, lietz @wedc.org>
Cc: Mark Maley-cmark maley@wedc.org>
Subject: Response to Nikkei Asian Review article

Here's a list to the strick Impriliability of the Company of the Strick Impriliability of the Company of the C

Is it your understanding that the assertion work on the factory has been suspended is true?

Have there been any attempts by the Walker or Evers administration to change the contract with Foxconn or otherwise accommodate the company's shifting plans?

Does the provision in the GOP lame duck law preventing Evers from appointing the WEDC CEO for nine months have anything to do with ongoing negotiations with Foxconn

Let me know if there's anything else about the latest Nikkei latest story that is correct or incorrect.

Riley

From: Kelly Lietz
To: Mark Hogan

Subject: RE: Foxconn Adjustment

**Date:** Thursday, January 31, 2019 2:04:00 PM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image005.png image012.png image013.png image014.png image015.png image016.png

#### Sent it to her.

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Mark Hogan

Sent: Thursday, January 31, 2019 1:27 PM

To: Kathie Colbert <kathie.colbert@wedc.org>; Tricia Braun <tricia.braun@wedc.org>; Kelly Lietz

<kelly.lietz@wedc.org>

**Subject:** Re: Foxconn Adjustment

My statement from yesterday (re: the contract provides the company the flexibility to make these types of decisions...) covers it. Thanks.

#### Get <u>Outlook for iOS</u>

**From:** Kathie Colbert < <u>kathie.colbert@wedc.org</u>> Sent: Thursday, January 31, 2019 1:12 PM **To:** Mark Hogan; Tricia Braun; Kelly Lietz **Subject:** FW: Foxconn Adjustment From: Maayan Silver < Maayan <u>@uwm.edu</u>> **Sent:** Thursday, January 31, 2019 12:39 PM **To:** Mark Maley < <u>mark.maley@wedc.org</u>> **Subject:** Foxconn Adjustment Hi Mark! Hope all's well. It's Maayan Silver, reporter from WUWM 89.7FM. I'm hoping to speak with Mark Hogan or Jennifer Jin today about the statement from Foxconn about an adjustment in their plans. (See statement below) I'm hoping to ask Mark or Jennifer how the changes can hold up given the company's contract with Wisconsin, and what they're expecting the changes to be and what that means for Wisconsin. I'd like to do a phone interview today (Thurs) and am available all day. I look forward to hearing from you. Thanks! Maayan

#### **Statement from Foxconn Technology Group**

We remain committed to the Wisconn Valley Science and Technology Park project, the creation of 13,000 jobs, and to our long-term investment in Wisconsin. As we have previously noted, the global market environment that existed when the project was first announced has changed. As our plans are driven by those of our customers, this has necessitated the adjustment of plans for all projects, including Wisconsin. While the project's focus will be adjusted to meet these new realities, the Wisconsin project remains a priority for our company.

Foxconn continues to actively consider opportunities for TFT technologies in terms of maximizing the positive impact of our Wisconsin project. We are broadening the base of our investment within the State of Wisconsin far beyond what we initially planned to ensure the company and our workforce will be positioned for long-term success.

In addition to our consideration of plans to produce traditional products such as television sets, we are also examining ways for Wisconsin's knowledge workers to promote research and development in advanced industrial internet technologies and produce high-tech applications and solutions for industries such as education, medical and healthcare, entertainment and sports, security, and smart cities.

We look forward to continued investment in American talent as we build the Al 8K + 5G ecosystem we are creating in Wisconsin and the US. Further updates will be shared in due course.

#### Additional information:

While Foxconn's need to be responsive to the global market environment has necessitated a reconsideration of which TFT technology will best suit the needs of its customers, its commitment to the construction of the Wisconn Valley campus and the creation of 13,000 jobs in Wisconsin remain unchanged. Foxconn will be moving forward with plans to build an advanced manufacturing facility in Wisconsin. In the next 18 months, Foxconn plans to construct:

- a) A liquid crystal module backend packaging plant
- b) A high precision molding factory
- c) A system integration assembly facility
- d) A rapid prototyping center to help startups to test out their hardware ideas and concepts which will go in line with building the AI 8K+5G ecosystem
- e) A research and development center

- f) A high-performance data center inside the park or in the vicinity
- g) A town center to support the people working in the Wisconn Valley Park

From: Kelly Lietz

To: <u>Jela Trask; Mark Hogan; Kathie Colbert; Tricia Braun</u>

Subject: RE: PolitiFact inquiry

**Date:** Thursday, January 31, 2019 2:06:22 PM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image013.png image014.png image015.png image016.png image017.png image024.png image024.png image025.png image025.png image027.png image027.png

Jela,

Can you stop by when you are free?

Kelly

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>



From: Jela Trask

Sent: Thursday, January 31, 2019 2:03 PM

**To:** Mark Hogan <mark.hogan@wedc.org>; Kathie Colbert <kathie.colbert@wedc.org>; Tricia Braun

<tricia.braun@wedc.org>; Kelly Lietz <kelly.lietz@wedc.org>

**Subject:** RE: PolitiFact inquiry

Team

As for construction jobs numbers, the primary *original* source is Gilbane. The Wisconn Valley site shows maps that I believe were last updated in Sept/Oct. And the data used came from Gilbane.

We attempted to formalize a process for public construction contractors/employee numbers but I don't believe a formalized and consistent process was established.

Kelly – I'm jumping on a conference call but free to chat prior to responding if you'd like.

Jela Trask Key Business Liaison Business & Investment Attraction Director Wisconsin Economic Development Corporation 201 W. Washington Ave Madison, WI 53703

Ph: 608.210.6759



Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: http://inwisconsin.com/subscribe/



From: Mark Hogan

Sent: Thursday, January 31, 2019 1:36 PM

**To:** Kathie Colbert < <a href="mailto:kathie.colbert@wedc.org">kathie.colbert@wedc.org</a>; Tricia Braun < <a href="mailto:tricia.braun@wedc.org">tricia.braun@wedc.org</a>; Kelly Lietz

<kelly.lietz@wedc.org>

Cc: Jela Trask < jela.trask@wedc.org>

**Subject:** Re: PolitiFact inquiry

WEDC's contract does not require the company to formally report these numbers.

However, the company has been self-reporting these numbers all along with other info that relates to its "Wisconsin First" commitment (e.g. where contractors come from, whether they are minority-, women-, or veteran-owned, etc)

I believe they can be found on the Wisconn Valley website, but I am including Jela on this email to verify that. Thanks.

Get <u>Outlook for iOS</u>

**From:** Kathie Colbert < <u>kathie.colbert@wedc.org</u>>

**Sent:** Thursday, January 31, 2019 1:14 PM **To:** Mark Hogan; Tricia Braun; Kelly Lietz

**Subject:** FW: PolitiFact inquiry

From: Litke, Eric <<u>elitke@gannett.com</u>>
Sent: Thursday, January 31, 2019 1:08 PM
To: Mark Maley <<u>mark.maley@wedc.org</u>>

**Subject:** RE: PolitiFact inquiry

We're fact-checking the 1,000 jobs reference related to Foxconn. I see in <u>their letter</u> they describe 178 Foxconn jobs and 854 employees involved in constructions.

Do you know where the construction figure comes from or where I could verify it? Just not quite ideal to cite Foxconn as the source for that.

Thanks!

### **Eric Litke**

Investigative Reporter, USA TODAY NETWORK-Wisconsin Contributor, PolitiFact Wisconsin

Office: (920) 453-5119 Cell: (262) 573-2538 Twitter: @ericlitke

Biography and recent stories

From: **Kelly Lietz** 

Kathie Colbert; Mark Hogan; Tricia Braun To:

Subject: RE: Phone call re: Foxconn

Date: Thursday, January 31, 2019 3:17:43 PM

Attachments: image001.png

image002.png image003.png image004.png image005.png image012.png image013.png image014.png image015.png image016.png

#### Mark,

Okay for me to correct this with this portion of your statement from today?

"Governor Evers and his administration have done a very good job of reaching out to company officials and developing a relationship that will protect our taxpayers' interests and at the same time, give Foxconn the ability to be successful in Wisconsin."

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>



From: Kathie Colbert

Sent: Thursday, January 31, 2019 3:01 PM

To: Mark Hogan <mark.hogan@wedc.org>; Tricia Braun <tricia.braun@wedc.org>; Kelly Lietz

<kelly.lietz@wedc.org>

**Subject:** Phone call re: Foxconn

Dominique Noth, Milwaukee Free Lance reporter for "a couple of national publications" Doing a story re Foxconn

Asked if he had specific questions: yes, he's heard that Gov Evers is blocked out from Foxconn discussions until September

Thanks, Kathie From: Kelly Lietz

To: <u>Dawn Olsen; Jela Trask</u>
Subject: FW: Image Quality

**Date:** Thursday, January 31, 2019 3:32:00 PM

Attachments: <u>image013.png</u>

image014.png image015.png image016.png image017.png image001.png image002.png image003.png image004.png image005.png image006.png image007.png image008.png image009.png image010.png image011.png image035.png image036.png image037.png image038.png image039.png

It's the first completed building on the Foxconn Technology Campus. Maybe Jela knows what MPB stands for and whether it's meaningful. Jela?

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>



From: Dawn Olsen

**Sent:** Thursday, January 31, 2019 3:26 PM **To:** Kelly Lietz <kelly.lietz@wedc.org>

Subject: Re: Image Quality

Hi Kelly,

What is this an image of? I will save it but need to know what MPB stands for?

Thank you, Dawn

Dawn Olsen Senior Designer

Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

608.210.6840



Website: https://wedc.org

Twitter: <a href="http://twitter.com/InWisconsin">http://twitter.com/InWisconsin</a>
Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



**From:** Kelly Lietz < <u>kelly.lietz@wedc.org</u>>

**Date:** Thursday, January 24, 2019 at 8:08 AM **To:** Dawn Olsen <<u>dawn.olsen@wedc.org</u>>

Subject: Image Quality

I have the opportunity to submit a couple of hi-res photos to a publication to accompany a story I'm writing. I suspect the attached doesn't qualify?

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703 From: <u>Tricia Braun</u>
To: <u>Kelly Lietz</u>

Subject: RE: FOR REVIEW: Article for Western Builder magazine featuring WVSTP project

**Date:** Thursday, January 31, 2019 3:36:04 PM

Attachments: Western Builder Cover Article Foxconn in Wisconsin Project DRAFT tb.docx

image001.png image002.png image003.png image004.png image015.png image013.png image014.png image015.png image016.png

See my comments in the attached. I think, based on Woo's statement and Mark's comments, the rest should still be good-to-go. Let me know if there are aspects that you still have questions/concerns.

#### Thanks!

From: Kelly Lietz

Sent: Thursday, January 31, 2019 8:47 AM

**To:** Mark Hogan <mark.hogan@wedc.org>; Tricia Braun <tricia.braun@wedc.org>

Cc: Jela Trask < jela.trask@wedc.org>

Subject: FW: FOR REVIEW: Article for Western Builder magazine featuring WVSTP project

There are a number of editorial features in the works (such as the attached) that reference the original plans for the Foxconn campus. How should we handle these?

#### Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858









You Tube

Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Kathie Colbert

Sent: Thursday, January 31, 2019 8:33 AM

**To:** Kelly Lietz < kelly.lietz@wedc.org>; Tricia Braun < tricia.braun@wedc.org>

Subject: FW: FOR REVIEW: Article for Western Builder magazine featuring WVSTP project

From Mark M's inbox

Kathie

**From:** Erica Bender < <u>erica@elevated-expressions.com</u>>

**Sent:** Thursday, January 31, 2019 8:09 AM **To:** Mark Maley <a href="mark.maley@wedc.org">mark.maley@wedc.org</a>>

Subject: FOR REVIEW: Article for Western Builder magazine featuring WVSTP project

Good Morning, Mark.

I spoke with you a couple of weeks ago about an article I'm working on that features the WVSTP project. The rough draft is now complete, which I've attached in case you'd like to review it and check for errors.

I would also like to include brief commentary (1-3 sentences) from you concerning how this impactful project will boost jobs/economy in Wisconsin. (The placeholder for this statement is shown on page 4 in red text.)

This article is due to the publisher on **Monday, Feb. 4**, so I will need your commentary and feedback by then. Thanks so much!

\*SPECIAL NOTE: I am also sending this article to James Madlam at Mueller Communications to review.

\_\_

Kind Regards,

Erica Bender erica@elevated-expressions.com

From: <u>Jela Trask</u>

To: <u>Dawn Olsen; Kelly Lietz</u>
Subject: RE: Image Quality

**Date:** Thursday, January 31, 2019 3:54:23 PM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image005.png image007.png image008.png image009.png image010.png image011.png image012.png image013.png image014.png image015.png image016.png image017.png image018.png image019.png image020.png image021.png image022.png image023.png image024.png image055.png

Multi-purpose Building.

Jela Trask
Key Business Liaison
Business & Investment Attraction Director
Wisconsin Economic Development Corporation
201 W. Washington Ave
Madison, WI 53703

image056.png image057.png image058.png

Ph: 608.210.6759



Website: http://inwisconsin.com

Newsletters: http://inwisconsin.com/subscribe/



From: Dawn Olsen

Sent: Thursday, January 31, 2019 3:46 PM

To: Kelly Lietz <kelly.lietz@wedc.org>; Jela Trask <jela.trask@wedc.org>

Subject: Re: Image Quality

### Foxconn Aerial will work. Thank you

Dawn Olsen Senior Designer

Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

608.210.6840



Website: https://wedc.org

Twitter: <a href="http://twitter.com/InWisconsin">http://twitter.com/InWisconsin</a>
Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



**From:** Kelly Lietz < <u>kelly.lietz@wedc.org</u>>

Date: Thursday, January 31, 2019 at 3:32 PM

**To:** Dawn Olsen <<u>dawn.olsen@wedc.org</u>>, Jela Trask <<u>jela.trask@wedc.org</u>>

Subject: FW: Image Quality

It's the first completed building on the Foxconn Technology Campus. Maybe Jela knows what MPB stands for and whether it's meaningful. Jela?

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858



Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>



From: Dawn Olsen

**Sent:** Thursday, January 31, 2019 3:26 PM **To:** Kelly Lietz < <u>kelly.lietz@wedc.org</u>>

Subject: Re: Image Quality

Hi Kelly,

What is this an image of? I will save it but need to know what MPB stands for?

Thank you, Dawn

Dawn Olsen Senior Designer

Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

608.210.6840



Website: https://wedc.org

Twitter: <a href="http://twitter.com/InWisconsin">http://twitter.com/InWisconsin</a>
Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



**From:** Kelly Lietz < kelly.lietz@wedc.org>

**Date:** Thursday, January 24, 2019 at 8:08 AM **To:** Dawn Olsen <<u>dawn.olsen@wedc.org</u>>

Subject: Image Quality

I have the opportunity to submit a couple of hi-res photos to a publication to accompany a story I'm writing. I suspect the attached doesn't qualify?

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703 From: Kelly Lietz
To: Mark Hogan

**Subject:** Statement to Politifact

**Date:** Thursday, January 31, 2019 3:55:18 PM

Attachments: image001.png

image002.png image003.png image004.png image005.png

DRAFT - WEDC Response to Gannett 013119 Politifact Inquiry B.docx

image012.png image013.png image014.png image015.png image016.png

For your review/approval.

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>



From: <u>Mark Hogan</u>
To: <u>Kelly Lietz</u>

Subject: RE: FW: Foxconn // Businessweek // Fact-checking pt. 1 (urgent)

**Date:** Friday, February 1, 2019 10:02:21 AM

Attachments: BW fact-check - WEDC - 1 draft comments.docx

image001.png image002.png image003.png image004.png image005.png image007.png image007.png image009.png image010.png image010.png image017.png

Hi Kelly – Here is the document with my comments in red. Please review and let me know if you have any questions. Also, please note I indicated we would provide my two sets of comments from the past couple of days. Thanks. - Mark

From: Kelly Lietz

Sent: Thursday, January 31, 2019 10:33 AM

To: Tricia Braun <tricia.braun@wedc.org>; Mark Hogan <mark.hogan@wedc.org>

Subject: FW: FW: Foxconn // Businessweek // Fact-checking pt. 1 (urgent)

FYI. They are asking for responses by EOD Friday.

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>



From: Austin Carr < <u>austincarr@gmail.com</u>>
Sent: Thursday, January 31, 2019 10:29 AM

**To:** Kelly Lietz < kelly.lietz@wedc.org>

**Subject:** Re: FW: Foxconn // Businessweek // Fact-checking pt. 1 (urgent)

Hi Kelly, nice to meet you via email, and thanks for your help on this.

As promised, I'm sending over the fact-checking to you for our upcoming magazine story on Foxconn's expansion into Wisconsin. The attached document represents the vast majority of our fact-checking queries. I know it looks like a lot, but a portion of this has already been confirmed elsewhere, and a number of other queries should be self-explanatory. If you could please go through and confirm our fact-checking queries, paying close attention to spellings, dates, numbers, etc., that'd be greatly appreciated. I've also included some broad strokes around what our story suggests toward the end of the document, so you have a heads-up about the overall findings of our reporting, in case you'd like to provide a statement.

For any clarifications/statements, please make annotations in-line in a different color font -- it's usually more digestible that way. We also ask that you confirm or comment next to the fact-checking queries (rather than rewriting them, if that makes sense). For any included comments/statements, we're assuming they're attributable to a WEDC spokesperson, unless otherwise stated.

We're under some deadline pressure, and need these responses back by Friday EOD. There may be some smaller follow-ups we send over later, but we can handle those in the days ahead. Happy to hop on the phone to talk through any of this stuff, if helpful.

Thanks again for your time.

Best, Austin

On Wed, Jan 30, 2019 at 7:49 PM Kelly Lietz < kelly.lietz@wedc.org > wrote:

Austin,

Please send your queries to me.

Kelly

Kelly Lietz

Vice President, Marketing and Brand Strategy

Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858



Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Kathie Colbert

**Sent:** Wednesday, January 30, 2019 5:51 PM **To:** Mark Hogan <a href="mark.hogan@wedc.org">mark.hogan@wedc.org</a> **Cc:** Kelly Lietz <a href="mailto:kelly.lietz@wedc.org">kelly.lietz@wedc.org</a>

**Subject:** FW: Foxconn // Businessweek (urgent)

From: Austin Carr <austincarr@gmail.com>
Sent: Wednesday, January 30, 2019 4:39 PM
To: Mark Maley <a href="mark.maley@wedc.org">mark.maley@wedc.org</a>
Subject: Re: Foxconn // Businessweek (urgent)

Hi Mark, hope you're well. This is Austin again, from Businessweek magazine -- as you'll recall, I've been working for the past number of months on a magazine feature about Foxconn's expansion into Wisconsin.

Just wanted to give you the heads-up that I'll be sending over a batch of fact-checking queries soon. We'll need them turned around as soon as possible -- thus I just wanted to give you advance notice, so you can begin making arrangements with the necessary people who will need to get eyes on this fact-checking.

Thanks for your help.

Best, Austin From: Kelly Lietz

To: <u>Mark Hogan</u>; <u>Tricia Braun</u>

Subject: FW: FW: Foxconn // Businessweek // Fact-checking pt. 1 (urgent)

**Date:** Friday, February 1, 2019 10:09:00 AM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image005.png image012.png image013.png image014.png image015.png image016.png

FYI.

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



**From:** Austin Carr <austincarr@gmail.com> **Sent:** Friday, February 1, 2019 9:55 AM **To:** Kelly Lietz <kelly.lietz@wedc.org>

**Subject:** Re: FW: Foxconn // Businessweek // Fact-checking pt. 1 (urgent)

Hey Kelly, hope you're well. Just checking in to confirm receipt of yesterday's email/fact-checking document. As a reminder, we'd need responses back by EOD today. I greatly appreciate your help.

Best, Austin

On Thu, Jan 31, 2019 at 11:28 AM Austin Carr < austincarr@gmail.com > wrote:

Hi Kelly, nice to meet you via email, and thanks for your help on this.

As promised, I'm sending over the fact-checking to you for our upcoming magazine story on Foxconn's expansion into Wisconsin. The attached document represents the vast majority of our fact-checking queries. I know it looks like a lot, but a portion of this has already been confirmed elsewhere, and a number of other queries should be self-explanatory. If you could please go through and confirm our fact-checking queries, paying close attention to spellings, dates, numbers, etc., that'd be greatly appreciated. I've also included some broad strokes around what our story suggests toward the end of the document, so you have a heads-up about the overall findings of our reporting, in case you'd like to provide a statement.

For any clarifications/statements, please make annotations in-line in a different color font -- it's usually more digestible that way. We also ask that you confirm or comment next to the fact-checking queries (rather than rewriting them, if that makes sense). For any included comments/statements, we're assuming they're attributable to a WEDC spokesperson, unless otherwise stated.

We're under some deadline pressure, and need these responses back by Friday EOD. There may be some smaller follow-ups we send over later, but we can handle those in the days ahead. Happy to hop on the phone to talk through any of this stuff, if helpful.

Thanks again for your time.

Best, Austin

On Wed, Jan 30, 2019 at 7:49 PM Kelly Lietz < kelly.lietz@wedc.org > wrote:

Austin.

Please send your queries to me.

Kelly

Kelly Lietz
Vice President, Marketing and Brand Strategy
Wisconsin Economic Development Corporation
201 W. Washington Avenue
Madison, WI 53703

Ph: 608.210.6858

Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>

**From:** Kathie Colbert

**Sent:** Wednesday, January 30, 2019 5:51 PM **To:** Mark Hogan < mark.hogan@wedc.org> **Cc:** Kelly Lietz < kelly.lietz@wedc.org>

**Subject:** FW: Foxconn // Businessweek (urgent)

From: Austin Carr < <a href="mailto:austincarr@gmail.com">austincarr@gmail.com</a>
Sent: Wednesday, January 30, 2019 4:39 PM
To: Mark Maley <a href="mailto:mark.maley@wedc.org">mark.maley@wedc.org</a>
Subject: Re: Foxconn // Businessweek (urgent)

Hi Mark, hope you're well. This is Austin again, from Businessweek magazine -- as you'll recall, I've been working for the past number of months on a magazine feature about Foxconn's expansion into Wisconsin.

Just wanted to give you the heads-up that I'll be sending over a batch of fact-checking queries soon. We'll need them turned around as soon as possible -- thus I just wanted to give you advance notice, so you can begin making arrangements with the necessary people who will need to get eyes on this fact-checking.

Thanks for your help.

Best, Austin From: Kelly Lietz
To: Mark Hogan

Subject: RE: FW: Foxconn // Businessweek // Fact-checking pt. 1 (urgent)

**Date:** Friday, February 1, 2019 10:11:00 AM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image015.png image013.png image014.png image015.png image016.png image019.png image020.png

Got it. Will look at this now.

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Mark Hogan

**Sent:** Friday, February 1, 2019 10:01 AM **To:** Kelly Lietz <kelly.lietz@wedc.org>

**Subject:** RE: FW: Foxconn // Businessweek // Fact-checking pt. 1 (urgent)

Hi Kelly – Here is the document with my comments in red. Please review and let me know if you have any questions. Also, please note I indicated we would provide my two sets of comments from the past couple of days.

From: Kelly Lietz

Sent: Thursday, January 31, 2019 10:33 AM

**To:** Tricia Braun < <a href="mailto:tricia.braun@wedc.org">tricia.braun@wedc.org</a>; Mark Hogan < <a href="mailto:mark.hogan@wedc.org">mark.hogan@wedc.org</a>>

**Subject:** FW: Foxconn // Businessweek // Fact-checking pt. 1 (urgent)

FYI. They are asking for responses by EOD Friday.

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Austin Carr <a ustincarr@gmail.com>
Sent: Thursday, January 31, 2019 10:29 AM
To: Kelly Lietz ekelly lietz@wode.org>

**To:** Kelly Lietz < kelly.lietz@wedc.org>

**Subject:** Re: FW: Foxconn // Businessweek // Fact-checking pt. 1 (urgent)

Hi Kelly, nice to meet you via email, and thanks for your help on this.

As promised, I'm sending over the fact-checking to you for our upcoming magazine story on Foxconn's expansion into Wisconsin. The attached document represents the vast majority of our fact-checking queries. I know it looks like a lot, but a portion of this has already been confirmed elsewhere, and a number of other queries should be self-explanatory. If you could please go through and confirm our fact-checking queries, paying close attention to spellings, dates, numbers, etc., that'd be greatly appreciated. I've also included some broad strokes around what our story suggests toward the end of the document, so you have a heads-up about the overall findings of our reporting, in case you'd like to provide a statement.

For any clarifications/statements, please make annotations in-line in a different color font -- it's usually more digestible that way. We also ask that you confirm or comment next to the fact-checking queries (rather than rewriting them, if that makes sense). For any included comments/statements, we're assuming they're attributable to a WEDC spokesperson, unless otherwise stated.

We're under some deadline pressure, and need these responses back by Friday EOD. There may be some smaller follow-ups we send over later, but we can handle those in the days ahead. Happy to hop on the phone to talk through any of this stuff, if helpful.

Thanks again for your time.

Best, Austin On Wed, Jan 30, 2019 at 7:49 PM Kelly Lietz < kelly.lietz@wedc.org > wrote:

Austin,

Please send your queries to me.

Kelly

**Kelly Lietz** 

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858



Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Kathie Colbert

**Sent:** Wednesday, January 30, 2019 5:51 PM **To:** Mark Hogan < <a href="mark.hogan@wedc.org">mark.hogan@wedc.org</a> **Cc:** Kelly Lietz < <a href="mailto:kelly.lietz@wedc.org">kelly.lietz@wedc.org</a>

Subject: FW: Foxconn // Businessweek (urgent)

From: Austin Carr < <a href="mailto:austincarr@gmail.com">austincarr@gmail.com</a>
Sent: Wednesday, January 30, 2019 4:39 PM
To: Mark Maley < <a href="mailto:mark.maley@wedc.org">mark.maley@wedc.org</a>
Subject: Re: Foxconn // Businessweek (urgent)

Hi Mark, hope you're well. This is Austin again, from Businessweek magazine -- as you'll recall, I've

been working for the past number of months on a magazine feature about Foxconn's expansion into Wisconsin.
Just wanted to give you the heads-up that I'll be sending over a batch of fact-checking queries soon. We'll need them turned around as soon as possible thus I just wanted to give you advance notice, so you can begin making arrangements with the necessary people who will need to get eyes on this fact-checking.
Thanks for your help.
Best, Austin

From: Mark Hogan

To: <u>C.S. Cheng</u>; <u>Katy Sinnott</u>

Cc: Khay Khong; Henry Ting; Maggie Tong; Kelly Lietz

Subject: Re: Gov. Tony Evers, Foxconn say Wisconsin project moving forward

**Date:** Friday, February 1, 2019 10:20:16 AM

Good morning. I am forwarding your request to Kelly Lietz (WEDC's VP of Marketing & Brand Strategy) & he will provide our official responses from the past couple of days. Have a great weekend. - Mark

### Get Outlook for iOS

**From:** C.S. Cheng < Chin-Sung @chicagocd.org>

Sent: Friday, February 1, 2019 10:12 AM

To: Katy Sinnott; Mark Hogan

Cc: Khay Khong; Henry Ting; Maggie Tong

Subject: Fwd: Gov. Tony Evers, Foxconn say Wisconsin project moving forward

Hi Mark and Katy,

Regarding the news article below, do you have any official statement? Could you pass it to me?

With best regards

#### 鄭錦松

經濟組組長

駐芝加哥台北經濟文化辦事處

Chin-Sung Cheng

Director, Economic Division

Taipei Economic and Cultural Office in Chicago

Tel: +1-

Cell:+1-

https://fox6now.com/2019/01/31/gov-tony-evers-foxconn-say-wisconsin-project-moving-forward/

MOUNT PLEASANT — Wisconsin Gov. Tony Evers' administration and Foxconn Technology Group said Thursday that a massive project planned for the state was moving forward, and disputed Republicans who blamed the new Democratic governor for a change in direction

away from manufacturing to more research jobs.

From: Kelly Lietz
To: Mark Hogan

Subject: FW: my three questions - thanks for helping Date: Friday, February 1, 2019 11:40:00 AM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image006.png image006.png image007.png image009.png image010.png image023.png image024.png image025.png image027.png image027.png image028.png

I'll call you about this...

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Schmid, John <john.schmid@jrn.com>
Sent: Friday, February 1, 2019 11:31 AM
To: Kelly Lietz <kelly.lietz@wedc.org>

Subject: my three questions - thanks for helping

Reuters quoted Louis Woo by name and on the record saying U.S. manufacturing costs were too high. Wage differentials between Wisconsin and China (Foxconn's base of global manufacturing operations) were never a secret. Why is this a factor in 2019 but not in 2017?

Please confirm that the state of Wisconsin to date has not yet allocated any tax breaks or subsidies to Foxconn.

What does WEDC say when asked about the relatively high cost-per-job that's built into the 2017 agreement?

Kelly notes... Also added a question about the intended "transformative effect" of the project....

John Schmid
Economics Reporter
Milwaukee Journal Sentinel / USA Today Network
414-224-2325

jschmid@jrn.com @GlobalMilwaukee www.jsonline.com

**From:** Kelly Lietz < kelly.lietz@wedc.org > **Sent:** Friday, February 1, 2019 11:24 AM

**To:** Schmid, John **Subject:** Today

Just a heads up that I will be unavailable from 1-3 today.

Kelly Lietz
Vice President, Marketing and Brand Strategy
Wisconsin Economic Development Corporation
201 W. Washington Avenue
Madison, WI 53703

Ph: 608.210.6858

From: Mark Hogan
To: Kelly Lietz

Subject: Fwd: A media statement to be released by NOON, Wisconsin time...

**Date:** Friday, February 1, 2019 11:57:50 AM

#### Get Outlook for iOS

From: Louis Woo < Louis @ifengpai.com>
Sent: Friday, February 1, 2019 11:46:45 AM

To: Brennan, Joel - DOA; Barca, Peter W - DOR; Mark Hogan

Cc: Robert Schlaeger

Subject: A media statement to be released by NOON, Wisconsin time...

Please pass the statement below for Governor Evers. Thanks and have a great weekend! Louis

# Statement from Foxconn Technology Group

After productive discussions between the White House and the company, and after a personal conversation between President Donald J. Trump and Chairman Terry Gou, Foxconn is moving forward with our planned construction of a Gen 6 fab facility, which will be at the heart of the Wisconn Valley Science and Technology Park. This campus will serve both as an advanced manufacturing facility as well as a hub of high technology innovation for the region.

Our decision is also based on a recent comprehensive and systematic evaluation to help determine the best fit for our Wisconsin project among TFT technologies. We have undertaken the evaluation while simultaneously seeking to broaden our investment across Wisconsin far beyond our original plans to ensure the company, our workforce, the local community, and the state of Wisconsin will be positioned for long-term success.

We look forward to continuing to expand our investment in American talent in Wisconsin and the US.

From: Kelly Lietz
To: Mark Hogan

**Subject:** FW: can you send me the statement on this Nikkei story on Foxconn?

**Date:** Friday, February 1, 2019 12:45:00 PM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image006.png image006.png image007.png image009.png image010.png image022.png image024.png image024.png image025.png image025.png image026.png

You want to take a stab at something that I can use to respond to these inquiries?

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Shepardson, David (Reuters) < David. Shepardson@thomsonreuters.com>

**Sent:** Friday, February 1, 2019 12:41 PM **To:** Kelly Lietz <kelly.lietz@wedc.org>

**Subject:** RE: can you send me the statement on this Nikkei story on Foxconn?

Do you have a statement on this?

https://www.jsonline.com/story/money/business/2019/02/01/foxconn-now-says-indeed-build-lcd-factory-wisconsin/2744111002/

#### **David Shepardson**

Correspondent

#### **Reuters**

Phone: +1 202 898 8324 Mobile: +1 202 579-6093

david.shepardson@thomsonreuters.com

www.reuters.com

twitter.com/davidshepardson

1333 H Street NW

Suite 700 Washington, DC 20005

From: Kelly Lietz < kelly.lietz@wedc.org>
Sent: Thursday, January 31, 2019 12:01 PM

**To:** Shepardson, David (Reuters) < <u>David.Shepardson@thomsonreuters.com</u>> **Subject:** FW: can you send me the statement on this Nikkei story on Foxconn?

David,

Here is a statement from Mark R. Hogan, secretary and CEO of the Wisconsin Economic Development Corporation:

"I have been involved with the Foxconn project from day one and there never have been any side deals and the contract stands on its own. In addition, there have been no attempts by either the company or the Evers' or Walker administrations to renegotiate WEDC's contract.

Governor Evers and his administration have done a very good job of reaching out to company officials and developing a relationship that will protect our taxpayers' interests and at the same time, give Foxconn the ability to be successful in Wisconsin."

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858









Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Shepardson, David (Reuters) < <u>David.Shepardson@thomsonreuters.com</u>>

**Sent:** Thursday, January 31, 2019 10:14 AM **To:** Mark Maley < <u>mark.maley@wedc.org</u>>

**Subject:** can you send me the statement on this Nikkei story on Foxconn?

https://twitter.com/MollyBeck/status/1091003092764626944

# David Shepardson Correspondent

Reuters

Phone: +1 202 898 8324 Mobile:

david.shepardson@thomsonreuters.com

www.reuters.com

twitter.com/davidshepardson

1333 H Street NW

Suite 700 Washington, DC 20005

From: Mark Hogan
To: Jela Trask

Subject: Fwd: A media statement to be released by NOON, Wisconsin time...

**Date:** Friday, February 1, 2019 12:48:27 PM

#### Get Outlook for iOS

From: Louis Woo < LOUIS @ifengpai.com>

Sent: Friday, February 1, 2019 11:47 AM

To: Brennan, Joel - DOA; Barca, Peter W - DOR; Mark Hogan

**Cc:** Robert Schlaeger

Subject: A media statement to be released by NOON, Wisconsin time...

Please pass the statement below for Governor Evers. Thanks and have a great weekend! Louis

# Statement from Foxconn Technology Group

After productive discussions between the White House and the company, and after a personal conversation between President Donald J. Trump and Chairman Terry Gou, Foxconn is moving forward with our planned construction of a Gen 6 fab facility, which will be at the heart of the Wisconn Valley Science and Technology Park. This campus will serve both as an advanced manufacturing facility as well as a hub of high technology innovation for the region.

Our decision is also based on a recent comprehensive and systematic evaluation to help determine the best fit for our Wisconsin project among TFT technologies. We have undertaken the evaluation while simultaneously seeking to broaden our investment across Wisconsin far beyond our original plans to ensure the company, our workforce, the local community, and the state of Wisconsin will be positioned for long-term success.

We look forward to continuing to expand our investment in American talent in Wisconsin and the US.

From: Jela Trask To: Jela Trask

Subject: FW: Phone call, for you?

Date: Sunday, February 3, 2019 9:31:08 AM

Attachments: image007.png

image008.png image009.png image010.png image011.png

Jela Trask Key Business Liaison **Business & Investment Attraction Director** Wisconsin Economic Development Corporation 201 W. Washington Ave Madison, WI 53703

Ph: 608.210.6759









Website: http://inwisconsin.com

Newsletters: http://inwisconsin.com/subscribe/



From: Kathie Colbert

Sent: Friday, February 1, 2019 10:52 AM To: Jela Trask < jela.trask@wedc.org>

**Subject:** Phone call, for you?

Dr. Richard Horak, retired ortho from Green Bay



Has an idea about using AI at the Foxconn Innovation Center in Green Bay.

Is there a direct contact for the Green Bay Center?

Thanks, Kathie

From: Mark Hogan To: Mark Hogan

Subject: FW: FOR REVIEW: Article for Western Builder magazine featuring WVSTP project

Date: Sunday, February 3, 2019 5:19:06 PM

Attachments: Western Builder Cover Article Foxconn in Wisconsin Project DRAFT.docx

> image001.png image002.png image003.png image004.png image005.png image012.png image013.png image014.png image015.png image016.png

For review

From: Kelly Lietz

Sent: Thursday, January 31, 2019 8:47 AM

To: Mark Hogan <mark.hogan@wedc.org>; Tricia Braun <tricia.braun@wedc.org>

Cc: Jela Trask < jela.trask@wedc.org>

Subject: FW: FOR REVIEW: Article for Western Builder magazine featuring WVSTP project

There are a number of editorial features in the works (such as the attached) that reference the original plans for the Foxconn campus. How should we handle these?

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>

 From:
 Kelly Lietz

 To:
 Jela Trask

 Subject:
 FYI

 Date:
 Monday, February 4, 2019 7:49:08 AM

 Attachments:
 BW fact-check - WEDC - APPROVED.docx

image001.png image002.png image003.png image004.png image005.png image012.png image014.png image015.png image016.png

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



## WEDC comments are in red. If there are no comments made, then the bullet point appears to be correct.

- Wisconsin Economic Development Corporation (spelling?)
- Mark Hogan (spelling?) is WEDC's CEO
- WEDC is the state's economic development agency that oversaw the state's deal with Foxconn
- The first call about the project came to the WEDC in April 2017
- The call was from the White House's Office of American Innovation, placed to then WEDC director Coleman Peiffer (spelling?)
- Though they didn't say it was Foxconn on that initial call, the scale of the pitch—thousands of jobs, \$10 billion in corporate investment—piqued the WEDC's interest
- Later that same week, after discerning that it was Foxconn, Gov. Walker flew to Washington to meet with Foxconn at the White House
- Mark Hogan was already in D.C. and joined him for the meeting
- That meeting with Foxconn chairman Terry Gou took place in chief of staff Reince Priebus' office
- The White House had been in discussions with Foxconn about it creating a big presence in North America but the company hadn't landed on a location yet
- At one point, President Trump, who'd recently visited Wisconsin with Reince, suggested to Terry that he should take a look at the state, particularly a potential factory site he'd seen on his recent trip
- Foxconn executives started telling state officials they had a preference for Wisconsin, though other states, including Michigan and Ohio, were in the running too
- Foxconn wanted to build a factory to produce liquid crystal displays, which can be used nowadays in TVs and car consoles
- The company also wanted to build out a tech campus
- Foxconn later named this tech campus "Wisconn Valley" (spelling?)
- In June, Gov Walker flew with a group of associates to Japan to meet with Terry
- They gifted him a Milwaukee Bucks jersey with his name on the back
- Terry met them at the airport and immediately brought them to a factory tour at a Foxconn factory in Osaka
- Terry made a trip to Wisconsin in early/mid July, and visited rural potential factory sites
- Terry visited the site that the company eventually chose during this trip; it had rained a lot the night before and the field Terry walked out to survey was quite muddy
- Terry also joined Gov Walker for a BBQ at the gov's mansion
- Mark Hogan and Scott Neitzel led the negotiations for the WEDC + Walker Administration
- Mark Hogan is an appointee of Gov. Scott Walker and a longtime donor to his campaigns
- Other groups involved included the MMAC, M7, among other leading business figures in the state and officials in the WEDC + Walker Administration
- These negotiations often took place with Foxconn executives Alan Yeung and Louis Woo, involving many meetings, phone calls, and texts
- According to state records, Woo texted Neitzel once at 1:17 a.m., "Give us 200m upfront then it is a done deal."
- During the early summer, there was a bidding war happening between other states involved in pursuing a deal with Foxconn
- Wisconsin's incentives offer grew significantly during this time, as Foxconn's promises of hiring and capital expenditure investment targets rose Confirming that Wisconsin's offer was increased due to increasing commitments for jobs and CapEx by the company. The \$2.85 billion offer was based on what was best for Wisconsin, and was not determined by what other states may have been offering (which were subsequently reported to be higher than the \$2.85 billion)
- Even before any deal was agreed upon, President Trump had hinted that a "major, incredible manufacturer" could be coming to the state, during a trip to Waukesha in mid-June

- Wisconsin's final bid, which the Mark/Scott presented to Foxconn in late July, was written on a single piece of paper This single page was signed by both Gov. Walker & Terry Gou, but was only the basis for a more formal MOU, which then was the basis for the formal contract.
- Wisconsin offered up to \$150 million in sales-tax exemptions and \$2.85 billion in refundable tax credits, tied to staggered hiring and capital investment targets
- In order to receive the full incentives benefits, Foxconn would have to invest \$10 billion and create as many as 13,000 jobs in the state
- The company also made an agreement for local incentives with Racine County and Mount Pleasant totaling \$764 million (this has since increased to more than \$900 million)
- Foxconn's high-tech manufacturing campus would be located on 3,000 acres of farmland south of Milwaukee
- Together with all incentives/public costs associated with the Foxconn project, the total package amounted to more than \$4.5 billion. It is approx. \$4.0 billion. We do not include the sales tax exemption (\$150mm) because these are not dollars the state is paying out. Also, you need to deduct the federal grant which reduces the state's cost on the roads by approx.. 2/3<sup>rd</sup>'s
- For the construction on I-94 near Foxconn's planned campus, is there any estimate of when that will be finished/what the final cost will be? Refer to Wisconsin Department of Transportation
- Outside analysts have estimated the deal cost of the state/local incentives could amount to roughly \$230,000 or more per job \$219,000
- Foxconn signed its final contract with the state of Wisconsin in November 2017
- EY did the economic analysis for the project, and an independent UW-Madison economics professor, Noah Williams, validated the numbers for the Walker Administration/WEDC to justify its investment in the Foxconn project
- An analysis by the Wisconsin Legislative Fiscal Bureau, a non-partisan government agency, concluded that the state's investment wouldn't likely show an ROI until 2042
- If the deal goes perfectly, according to WLFB's analysis, the state would be in peak cumulative debt over the project in 2032, at a cost of \$1.041 billion No comment. Need to refer to LFB analysis
- If Foxconn accelerates its hiring and capital expenditures, the state could be making payments to Foxconn as high as \$311 million per year, from 2022 to 2025 This is all in Exhibits A & B of the contract
- This WLFB analysis did not take into account increased public services costs associated with population growth No comment. Need to refer to LFB analysis
- This WLFB analysis calculated tax revenue on the assumption that 100% of employees would live in Wisconsin, and also that 100% of Foxconn's supply chain would be in the state Need to refer to LFB analysis, but they used the EY analysis (paid for by the company) which was the basis of the LFB analysis. There was a second analysis done by Baker Tilley (paid for by WEDC) which analyzed the EY numbers and made their own assumptions regarding residents, etc. Both of these analyses, as well as UW's Dr. Williams' report, were used in WEDC's underwriting process.
- FYI, we include skepticism from several outside economists (such as Tim Bartik) who project that the deal will not likely ever show an ROI, and argue that Wisconsin agreed to too many concessions to Foxconn compared with analogous state deals No comment
- We note that over the past year Foxconn's project has undergone numerous changes to its scope, including the switch from a Gen 10.5 LCD factory to a Gen 6 factory, as well as Louis Woo's statements that the company would be hiring mostly "knowledge" workers rather than factory workers
- Our reporting indicates that these changes caught many public officials off guard, including those at WEDC
- Our reporting indicates that the company grew increasingly opaque in its interactions with the WEDC, and that Mark Hogan has been unable at times to share concrete insight on where Foxconn's project is heading. Mark Hogan has been involved from day one with the Foxconn project and he has had excellent communication with the company during the entire process. Some of the challenges relating to what information could be shared publicly, has to do with the company being a publicly traded company. Having

said that, we (state, local & regional officials) completely understand the responsibility we have to the taxpayers of Wisconsin.

- Our reporting indicates that "Foxconn doesn't tell us anything" has become a refrain from the WEDC. Not true at all. The communication between Foxconn and WEDC is excellent.
- Our reporting indicates there were some informal discussions among state staffers about whether Foxconn's switch from to a Gen 6 plant constituted a breach of contract, since the contract specifically required a Gen 10.5 factory These may have been politically based conversations. The contract protects the taxpayers and also gives the company the flexibility it needs to make the appropriate business decisions for it to achieve long-term success.
- In November 2018, the WSJ reported that Foxconn was exploring transferring its engineers from China to Wisconsin, instead of hiring locals; there is nothing in the company's contract in the state that would forbid it bringing in international personnel to work in Wisconsin There is nothing to prohibit this.
- The WEDC/Mark Hogan's main defense of the project is that the risk is low because the state's deal is based on a "pay as they grow" model: In order for Foxconn to receive its refundable tax credits, it first has to hit its capital expenditure + hiring targets, which are staggered in the years ahead Correct
- Just to confirm, have any state cash subsidies been paid directly to Foxconn yet? The company was first eligible to receive up to \$9.5mm in 2019 if they met the minimum FTE's as outlined in the contract. Since they did not meet the minimum (they have reported 178 vs the 260 required), they will next be eligible for tax credits in 2020 (which will largely be based on 2019 FTE and CapEx activity). The timing of that would mean that three years after we first met with the company (April 2017 to April 2020), the state of Wisconsin will have paid out \$0 in tax credits to the company. But during that time frame, the company will continue to build out its Wisconn Valley site (\$200mm as of 12/31/18), established its North American HQ in Milwaukee, purchased and opened innovation centers in Green Bay, Eau Claire and Racine (smart cities initiative), pledged \$100mm to co-invest with the University of Wisconsin in establishing the Foxconn Institute for Research in Science & Technology (FIRST), and, along with Northwestern Mutual, Johnson Controls, and Advocate Aurora Health, established the \$100mm Wisconn Valley Venture Fund All of this will have been done over a period of three years during which the state of Wisconsin will have provided zero in tax credits.
- Racine County and Mount Pleasant have invested \$190 million into infrastructure and other expenses related to Foxconn Need to confirm with them
- This fall, in a series of special session rules, the Republican-controlled legislature passed a rule that allows WEDC CEO Mark Hogan to remain in his role through September
- These special session rules also made it so the WEDC would only have to verify job creation by a sample of job creation data and signed statements from the company This was an issue that goes back several years and is not specific to Foxconn. However, the Foxconn contract requires the company to have a 3<sup>rd</sup> party independently review and verify the information they present to WEDC.
- We note that Gov. Evers feels constrained some of the special session changes and has felt not in sync with the WEDC Mark Hogan has had two very constructive meetings with Gov. Evers and countless conversations with his staff and other agencies heads. The level of communication is excellent
- On January 18, Foxconn said in a letter to the WEDC that at the end of 2018, it had 178 full-time employees in Wisconsin
- This amounted to missing its minimum first-year hiring target by more than 30%, and high target by ~82%
- The company thus did not qualify to earn the allotted \$9.5 million in state tax credits in its first year of eligibility Correct
- Foxconn had originally committed to having as many as 1040 full-time employees by the end of 2018
- In the letter, Louis Woo said: "As a company with operations around the world, we need to have the agility to adapt to a range of factors including global economic conditions....While we remain committed to creating 13,000 jobs in Wisconsin, we have adjusted our recruitment and hiring timeline."

- On January 30, in an interview with Reuters, Woo said the company was reconsidering its plans for an LCD factory, partly due to high costs in the US vs. Mexico/China/Asia. Does WEDC have any statement on these changes? Mark Hogan's comments from 1/30 & 1/31 are provided
- Broadly speaking, our reporting suggests that WEDC/the state overlooked a number of clear warning signs of doing business with Foxconn (e.g. its track record of comparable deals in Brazil/India/PA/Indonesia/etc), and that it bought into to some lofty promises from Foxconn executives that experts/economists/our Foxconn sources feel are illogical/uneconomic/or risky. These were not overlooked in the analysis.
- Our reporting details that while proponents of the deal, like Mark Hogan, were talking up the potential of the deal publicly, inside Foxconn, there was growing skepticism around the Wisconsin project; a variety of changes to the plan as pressures on Foxconn's business increased; and signs that the company's early operations in the state were chaotic, and its vision amorphous. Foxconn is one of the five largest technology companies in the world and for the past 45 years, they have been on the leading edge of technology. We believed then, and now, this was the type of company we wanted to partner with. As was said prior, the contract protects the taxpayers and gives the company the flexibility to make the best business decisions that will ensure its long term success, both globally and within Wisconsin.
- Our reporting indicates that current/former employees at the company's Experimental Training Center in Mount Pleasant felt the company's jobs so far have been underwhelming and disappointing; many say the pay has been low and far less than what Foxconn committed to publicly; many say that workers were often hired as temps with vague promises of full-time jobs down the road that didn't seem to ever materialize; people say training and safety protocols need improvement; and that Foxconn/Sharp engineers were making an aggressive push toward automation, which likely meant many factory roles would be irrelevant in the long term No basis for comment.
- Overall, our reporting suggests there was a large disparity between how the WEDC/state described the upside of the state's Foxconn investment vs. what our sources witnessed first-hand inside the company No comment, unless the source is identified.

From: <u>Mark Hogan</u>
To: <u>Kelly Lietz</u>

Subject: Re: Mid-America EDC 2018 Award Winner Promotion

Date: Monday, February 4, 2019 9:27:28 AM

Attachments: <u>image007.png</u>

image008.png image009.png image010.png image011.png

Can they provide the questions & we can respond to them? I believe this award was given to us the 1st week if December in Chicago.

## Get Outlook for iOS

**From:** Kelly Lietz < kelly.lietz@wedc.org> **Sent:** Monday, February 4, 2019 9:17 AM

To: Mark Hogan

Subject: FW: Mid-America EDC 2018 Award Winner Promotion

Checking in on this. They were looking for confirmation of interview subjects last Friday.

\*\*\*

Mid-America EDC wants to interview 2018 Golden Shovel Winners. We won "deal of the year" for Foxconn. Would you like to participate in this (or volunteer Tricia)?

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Barbara LaMue

**Sent:** Friday, February 1, 2019 4:00 PM **To:** Kelly Lietz <kelly.lietz@wedc.org>

**Subject:** FW: Mid-America EDC 2018 Award Winner Promotion

Kelly, can you please look at the email that went to Mark M about an interview for the award WEDC won for the Foxconn development – deal of the year. Thank you for advising how best to respond. Thanks!

Barb Fleisner LaMue, CEcD, EDFP Vice President, Business & Community Development Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

2701 Larsen Road Green Bay, WI 54313

#### 608.210.6760

barb.lamue@wedc.org

Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>
Twitter: <a href="http://twitter.com/">http://twitter.com/</a> InWisconsin

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>

To advance and maximize opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive environment.



From: Tracey Hogan < Tracey@assnoffices.com > Sent: Thursday, January 31, 2019 9:49:38 AM

To: Barbara LaMue

**Subject:** FW: Mid-America EDC 2018 Award Winner Promotion

Hi, Barb! I didn't hear back from Mark Maley on this, so I thought I might check in with you? Let me know by tomorrow? Thanks!

Tracey Hogan 17 S. High Street, Suite 200 Columbus, OH 43215 614-228-4725

Richard (cell)

 From:
 Kelly Lietz

 To:
 Mark Hogan

 Cc:
 Tricia Braun

 Subject:
 PR Opportunities

**Date:** Monday, February 4, 2019 10:01:45 AM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image015.png image013.png image014.png image015.png image016.pnq

Mark,

Checking in on a few PR opportunities that require your input.

## Western Builder Magazine

The Foxconn project is being featured as a cover story in an upcoming edition of Western Builder Magazine. Tricia and I have reviewed and approved the text of the story. They would like to end the story with a perspective from WEDC—"I was hoping to include a direct quote from someone at WEDC about how the WVSTP project is going to benefit community development/economics due to job creation. Would you or someone else on your staff be willing to prepare a sentence or two that I can add to the article?" Let me know if you would like to provide a quote for this.

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858

From: Jela Trask To: Joshua Robbins

Cc: Tricia Braun; Madeline Morgan

RE: SharePoint 2016 Upgrade - PLEASE READ! Subject: Date: Monday, February 4, 2019 12:27:06 PM

Attachments: image001.png

image002.pnq image003.png image004.png image005.png image008.png image009.png image010.png image011.png image012.png image013.png image014.png image015.png image016.png image017.png image018.png image021.png

Thanks. As of now, it probably won't for a while until there's a broader strategy conversation which is dependent on the new hire, the Gov's office visions, etc. Anyway, just trying to manage expectations that we will not be in a position to have an update for at least a month. In the meantime, let both Tricia and I know if anything technical comes up that is urgent and needs to be addressed. Otherwise, Maddie will manage any necessary/time-sensitive updates.

Maddie – if you have any questions on that front, please let us know.

Jela Trask Key Business Liaison **Business & Investment Attraction Director** Wisconsin Economic Development Corporation 201 W. Washington Ave Madison, WI 53703

Ph: 608.210.6759









Website: http://inwisconsin.com

Newsletters: http://inwisconsin.com/subscribe/



From: Joshua Robbins

Sent: Monday, February 4, 2019 12:17 PM To: Jela Trask < jela.trask@wedc.org>

Cc: Tricia Braun <tricia.braun@wedc.org>; Madeline Morgan <madeline.morgan@wedc.org>

Subject: RE: SharePoint 2016 Upgrade - PLEASE READ!

Thank you Jela, I just wanted to make sure that this keeps moving forward.

Joshua C. Robbins
Vice President
Technology & Information Systems
Wisconsin Economic Development Corporation
201 W. Washington Avenue
Madison, WI 53703

Ph: 608-210-6865



Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Jela Trask

**Sent:** Monday, February 4, 2019 11:39 AM **To:** Joshua Robbins < <u>ioshua.robbins@wedc.org</u>>

Cc: Tricia Braun < <a href="mailto:tricia.braun@wedc.org">tricia.braun@wedc.org</a>; Madeline Morgan <a href="mailto:mail

Subject: FW: SharePoint 2016 Upgrade - PLEASE READ!

Hi Josh

I wanted to share this heads-up with you regarding the upgrade of the Wisconn Valley website. Tia helped create the original site and was instrumental in getting it launched.

As far as future status, as a follow-up from our meeting a couple weeks ago, Mark was to connect with the Administration's comms contact as she had some questions about it. I'm not sure if that conversation happened, but I intend to reach out to close that loop. To clarify, I don't think this call will provide any direction as it was intended to just be an introductory call to provide some context on the comms support for Foxconn. Our plan was to continue supporting it *as is* until WEDC hired the new individual taking over Matt Moroney's position so that as a team, we can collectively map out our strategy moving forward that would impact Wisconn Valley as well as the newsletter and other comms initiatives.

From a timing standpoint, I would plan another 3mos (at least) until we align on a transition plan. But it seems from a support standpoint that DOA is helping to at least manage the Sharepoint upgrade.

Tricia – please feel free to add anything more to this that I may have missed. Thanks!

Jela Trask Key Business Liaison Business & Investment Attraction Director Wisconsin Economic Development Corporation 201 W. Washington Ave Madison, WI 53703

Ph: 608.210.6759



Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: http://inwisconsin.com/subscribe/



 From:
 Kelly Lietz

 To:
 Mark Hogan

 Subject:
 Western Builder

**Date:** Monday, February 4, 2019 4:21:24 PM

Attachments: Western Builder Cover Article Foxconn in Wisconsin Project-WEDC Edit.docx

image001.png image002.png image003.png image004.png image012.png image013.png image014.png image015.png image016.png

## Mark,

This is the file that Tricia reviewed and has been sent back to the editor. They would like us to add a quote at the end reflecting what this project means to Wisconsin.

Kelly

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>

From: Kelly Lietz
To: Mark Hogan

Subject: Chicago Tribune Inquiry

**Date:** Monday, February 4, 2019 4:51:44 PM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image005.png image007.png image007.png image008.png image010.png image010.png

#### Mark,

I am working with a reporter from the Chicago Tribune on a Foxconn story. All of the information you provided me last answers his immediate question. But he's wondering if we can provide contact information for a Foxconn spokesperson. How do we handle this type of request?

Kelly

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>

 From:
 Tricia Braun

 To:
 Mark Hogan

 Cc:
 Kelly Lietz; Jela Trask

Subject: Re: Chicago Tribune story -- Foxconn plans Date: Monday, February 4, 2019 5:25:44 PM

Okay, cool. Was driving and just saw this.

On Feb 4, 2019, at 5:22 PM, Mark Hogan < mark.hogan@wedc.org> wrote:

Kelly has talked with the reporter & was able to use the responses from last week. Thanks.

## Get Outlook for iOS

From: Tricia Braun < <a href="mailto:tricia.braun@wedc.org">tricia.braun@wedc.org</a> Sent: Monday, February 4, 2019 5:20 PM

To: Mark Hogan; Kelly Lietz

Cc: Jela Trask

**Subject:** Fwd: Chicago Tribune story -- Foxconn plans

See below. This is a slightly different set of questions, but I don't think we have the ability to answer them at this time. Perhaps we defer to Brian Albrecht as I don't think the company's approach to training/talent pipeline development intends to change much if at all, but those conversations have not been with us as we aren't the SMEs?

## Begin forwarded message:

From: "Channick, Robert" < rchannick@chicagotribune.com>

**Date:** February 4, 2019 at 4:18:01 PM CST

To: "tricia.braun@wedc.org" <tricia.braun@wedc.org>
Subject: Chicago Tribune story -- Foxconn plans

#### Tricia:

I reached out to Mark Maley but understand he may be out of the office.

We spoke last year about an effort to lure our millennial workforce north of the border.

On a similar note, I'm working on a story this week about Foxconn and the labor challenges it may face in light of its shifting mission.

It's a little hard to tell where things are at. First a shift from manufacturing to R&D, then ostensibly a shift back to manufacturing after Trump intervened. Can you help fill me in on where we stand now? What is Foxconn planning to do in southeast Wisconsin and how are the plans different than originally conceived?

If there is more of an R&D focus, will it be harder to staff 13,000 workers?

Can we talk about this? Please give me a call ASAP at

Thanks,

**Bob Channick** Chicago Tribune Mark Hogan

RE: Do you have a contact at Foxconn in Wisconsin?

Tuesday, February 5, 2019 4:34:00 PM

e011.nng

Hi Jela – Your contacting either would be fine, but I would recommend Robert. Thanks. - Mark

From: Jela Trask

Sent: Tuesday, February 5, 2019 4:06 PM To: Mark Hogan <mark.hogan@wedc.org>

Subject: FW: Do you have a contact at Foxconn in Wisconsin?

Hi Mark -

This is an email from Bob O'Brian the consultant and nationally recognized speaker on LCD. He's helped us with the tutorial and reached out last week as well.

For his request below, I'm thinking it would make sense to send to Alan and Robert with some context. Would you be ok with me doing so or would you prefer to handle it. Thanks!

Jela Trask Key Business Liaison Business & Investment Attraction Director Wisconsin Economic Development Corporation 201 W. Washington Ave Madison, WI 53703

Ph: 608.210.6759







Website: http://inwisconsin.com

Newsletters: http://inwisconsin.com/subscribe/



From: Bob O'Brien Bob @displaysupplychain.com>

Sent: Tuesday, February 5, 2019 3:41 PM To: Jela Trask < jela trask@wedc.org>

Subject: Do you have a contact at Foxconn in Wisconsin?

Hi Jela,

Do you have a contact there that you could introduce me to? I'm organizing a conference on automotive displays, and since it looks likely that Foxconn's facility there will work on automotive displays (among other applications), I think it would be great to get a speaker from Foxconn to discuss plans. Is there any way that you could make an introduction?

I appreciate your help on this.

Thanks,

Bob



 From:
 Jela Trask

 To:
 Vincent Rice

 Cc:
 Kelly Lietz

Subject: FW: Manufacturing Matters print piece
Date: Tuesday, February 5, 2019 7:17:14 PM
Attachments: Manufacturing Matters flyer JT-EG.docx

image013.png image014.png image015.png image016.png image017.png

#### Hi Vincent

Attached is the Manuf Matters handout that I worked on with Elizabeth and Kelly. Wanted to share to get your input before we move it to design. We're on a fairly aggressive time frame to ensure we finalize and have it ready for print.

Hopefully it's pretty straightforward in highlighting our key initiatives in narrative along with the setup of urgency to get on the path to adoption of new technology. We mention Foxconn briefly as a proof point of being a state that is known for manufacturing, but opted to not emphasize it much more than that. In addition, when put into design, we will include all the important facts and imagery to reinforce our message. It will be a double-sided one pager so we strived to limit the amount of copy.

Please let us know if you have any feedback. Thanks!

Jela Trask
Key Business Liaison
Business & Investment Attraction Director
Wisconsin Economic Development Corporation
201 W. Washington Ave
Madison, WI 53703

Ph: 608.210.6759



Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>



#### Technology is transforming manufacturing. Get ready or get beat.

Trends including big data, automation, machine learning and widespread use of sensors are converging to drive the evolution of manufacturing at an ever-increasing pace. Manufacturers must stay connected to innovation or risk getting left behind.

As a state with a legacy of leadership in manufacturing technology advancement, Wisconsin continues to attract attention globally as a hub of innovation. With Foxconn Technology Group's choice of Wisconsin as the location for a next-generation electronics campus, the pace of adopting new approaches and understanding new trends will only accelerate, and companies will need to keep up if they aim to achieve the operational excellence that is critical for future growth and competitiveness.

For manufacturers seeking to embrace this transformation, the Wisconsin Economic Development Corporation (WEDC) can provide connections to resources including potential funding sources for capital improvements, as well as introductions to the following strategic initiatives:

#### TRANSFORMATIONAL PRODUCTIVITY INITIATIVE

The Transformational Productivity Initiative (TPI), a program of the Wisconsin Manufacturing Extension Partnership, offers a set of tools and delivery systems to help manufacturers assess and prioritize actions to increase their productivity via basic process improvements and management best practices as well as the integration of automation and digital technologies. In short, TPI helps manufacturers do more with existing resources, through technological advancements as well as eliminating waste and maximizing efficiencies. TPI connects manufacturers to experts and to one another so they can adopt the best practices of the industry. Participants in TPI's pilot round reported a 38 percent increase in labor productivity, 14 percent increase in total factor productivity and 1.6 percent increase in profit margin.

#### **CONNECTED SYSTEMS INSTITUTE**

To help smart manufacturing reach its fullest potential and help Wisconsin manufacturers understand the value of integrating their operations and processes into a connected enterprise, UW-Milwaukee launched the Connected Systems Institute (CSI) as a multidisciplinary collaboration with Rockwell Automation, Microsoft, WEDC and other industry leaders. The institute combines the efforts of industry and academia to make discoveries that lead to greater productivity. With physical space that includes testing facilities for companies to perform simulations and emulation of end-to-end systems, CSI is a place where companies can come to test new concepts, solve problems and share ideas.

## WISCONSIN SUPPLY CHAIN MARKETPLACE

The Wisconsin Supply Chain Marketplace is an online directory of Wisconsin manufacturers designed to connect buyers with suppliers. In addition to helping buyers find what they're looking for and helping suppliers land new business, this database helps make the case for Wisconsin's manufacturing strength by demonstrating the breadth and depth of the sector. By helping to attract new original equipment manufacturers (OEMs) to Wisconsin, it creates new opportunities for the suppliers that exist here, further contributing to the strength of the sector.

For more information on these initiatives and modernizing your company's manufacturing practices, contact:

Jela Trask
Business and Investment Attraction Director, WEDC
608.210.6759
jela.trask@wedc.org

# Logos to include:

- WEDC
- WMEP (or TPI logo?)
- UW-Milwaukee (or CSI logo?)
- Do we need to list New North given their role in the Supply Chain Marketplace?

# Ideas for other graphics and visuals:

- Icons/illustrations similar to what was used in the board meeting presentation
- Screen grab of Supply Chain Marketplace
- Productivity progression chart from TPI handout (shows role of adopting best practices, automation and robotics, and smart manufacturing)
- The TPI handout has a nice quote from Vincent about the role of productivity in boosting the state's overall economic growth
- We could pull a display quote from the CSI brochure
- This same brochure has some nice photos we could request if desired

From: <u>Mark Hogan</u>

To: <u>Kelly Lietz</u>; <u>Tricia Braun</u>

Subject: Re: Foxconn Response to Bloomberg Piece

Date: Wednesday, February 6, 2019 10:47:15 AM

Attachments: <u>image012.png</u>

image013.png image014.png image015.png image016.png

#### Had not, thanks.

# Get Outlook for iOS

From: Kelly Lietz

**Sent:** Wednesday, February 6, 2019 10:42:25 AM

To: Tricia Braun; Mark Hogan

Subject: FW: Foxconn Response to Bloomberg Piece

FYI, in case you didn't receive this.

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Myranda Tanck <mt@platform-communications.com>

Sent: Wednesday, February 6, 2019 10:19 AM

To: Jela Trask < jela.trask@wedc.org>; Kelly Lietz < kelly.lietz@wedc.org>

Subject: FYI: Foxconn Response to Bloomberg Piece

Hi Jela and Kelly.

See below for your reference Foxconn's response to this morning's Bloomberg article.

### Statement from Foxconn Technology Group

The story in Bloomberg Businessweek (Feb, 6, 2019) attempts to paint a false picture of Foxconn Technology Group and its substantial investment in Wisconsin.

While relying largely on unnamed sources, anecdotes, and hearsay, the piece fails to give a balanced view of Foxconn's project in Wisconsin. It omits much of the detailed information Foxconn shared with Bloomberg Businessweek containing highlights of the Wisconsin project, an outline of Foxconn's partnerships throughout the state, and an overview of the company's positive economic impact in Wisconsin.

Foxconn's commitment to Wisconsin remains as strong as ever. In addition to creating more than a thousand jobs in the state so far, Foxconn invested over \$200 million to date in Wisconsin. We deepened our collaboration with a range of academic partners through initiatives like a pledge of \$100 million to UW Madison for the Foxconn Institute for Research in Science and Technology and the Smart Cities, Smart Futures Competition. We forged strong relationships with Wisconsin's business community, supported Badger State companies, invested in Wisconsin industries like Ginseng, and co-established the \$100 million Wisconn Valley Venture Fund to help Wisconsin businesses continue to advance towards the future. While doing all of this, we completed the first of many buildings at the Wisconn Valley Science and Technology Park, and established a network of Innovation Centers throughout Wisconsin to support the project and the state's technology ecosystem. We continue to make good progress on all fronts related to the Wisconn Valley Science and Technology Park, while simultaneously broadening our investment across Wisconsin far beyond our original plans to ensure the company, our workforce, the local community, and the state of Wisconsin will be positioned for long-term success.

As Foxconn continues its Wisconsin project, it remains committed to its long-term investment and creating 13,000 jobs in Wisconsin. We look forward to engaging further with the good people of Wisconsin as we continue to invest in American talent and broaden the base of our investment in the state.

	2
Myranda	
Best,	

From: Kelly Lietz
To: Jela Trask

Subject: FW: Foxconn Response to Bloomberg Piece

Date: Wednesday, February 6, 2019 11:42:00 AM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image012.png image013.png image014.png image015.png image016.png

FYI.

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Kelly Lietz

Sent: Wednesday, February 6, 2019 10:42 AM

**To:** Tricia Braun <tricia.braun@wedc.org>; Mark Hogan <mark.hogan@wedc.org>

Subject: FW: Foxconn Response to Bloomberg Piece

FYI, in case you didn't receive this.

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



**From:** Myranda Tanck < <u>mt@platform-communications.com</u>>

**Sent:** Wednesday, February 6, 2019 10:19 AM

**To:** Jela Trask < <u>jela.trask@wedc.org</u>>; Kelly Lietz < <u>kelly.lietz@wedc.org</u>>

# Subject: FYI: Foxconn Response to Bloomberg Piece

Hi Jela and Kelly.

See below for your reference Foxconn's response to this morning's Bloomberg article.

#### Statement from Foxconn Technology Group

The story in Bloomberg Businessweek (Feb, 6, 2019) attempts to paint a false picture of Foxconn Technology Group and its substantial investment in Wisconsin.

While relying largely on unnamed sources, anecdotes, and hearsay, the piece fails to give a balanced view of Foxconn's project in Wisconsin. It omits much of the detailed information Foxconn shared with Bloomberg Businessweek containing highlights of the Wisconsin project, an outline of Foxconn's partnerships throughout the state, and an overview of the company's positive economic impact in Wisconsin.

Foxconn's commitment to Wisconsin remains as strong as ever. In addition to creating more than a thousand jobs in the state so far, Foxconn invested over \$200 million to date in Wisconsin. We deepened our collaboration with a range of academic partners through initiatives like a pledge of \$100 million to UW Madison for the Foxconn Institute for Research in Science and Technology and the Smart Cities, Smart Futures Competition. We forged strong relationships with Wisconsin's business community, supported Badger State companies, invested in Wisconsin industries like Ginseng, and co-established the \$100 million Wisconn Valley Venture Fund to help Wisconsin businesses continue to advance towards the future. While doing all of this, we completed the first of many buildings at the Wisconn Valley Science and Technology Park, and established a network of Innovation Centers throughout Wisconsin to support the project and the state's technology ecosystem. We continue to make good progress on all fronts related to the Wisconn Valley Science and Technology Park, while simultaneously broadening our investment across Wisconsin far beyond our original plans to ensure the company, our workforce, the local community, and the state of Wisconsin will be positioned for long-term success.

As Foxconn continues its Wisconsin project, it remains committed to its long-term investment and creating 13,000 jobs in Wisconsin. We look forward to engaging further with the good people of Wisconsin as we continue to invest in American talent and broaden the base of our investment in the state.

	?
Myranda	
Best,	

From: Kelly Lietz
To: Jela Trask
Subject: WEDC Statement

Date: Wednesday, February 6, 2019 11:46:30 AM

Attachments: APPROVED - WEDC Response to 020619 Bloomberg Story.docx

image001.png image002.png image003.png image004.png image006.png image006.png image007.png image009.png image009.png image010.png

# FYI

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue

Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>



# APPROVED RESPONSE TO BLOOMBERG'S FEBRUARY 6, 2019, STORY ON FOXCONN'S WISCONSIN INVESTMENT

Statement from Wisconsin Economic Development Corporation Secretary and CEO Mark R. Hogan:

"The Wisconsin Economic Development Corporation has developed and maintains a strong relationship with Foxconn representatives who continue to demonstrate their commitment to our state both through our ongoing dialogue and through their actions."

From: Mark Hogan

To: Kathie Colbert; Tricia Braun

Subject: Re: Bloomberg Businessweek story

Date: Wednesday, February 6, 2019 11:58:26 AM

# Kelly has a response.

## Get Outlook for iOS

From: Kathie Colbert <kathie.colbert@wedc.org> Sent: Wednesday, February 6, 2019 11:51 AM

To: Mark Hogan; Tricia Braun

**Subject:** FW: Bloomberg Businessweek story

From Mark M's inbox

From: Matt Defour < MDefour@madison.com> Sent: Wednesday, February 6, 2019 10:51 AM

To: Mark Maley <mark.maley@wedc.org>; Kelly Lietz <kelly.lietz@wedc.org>

**Subject:** Bloomberg Businessweek story

Mark or Kelly,

Is WEDC offering any general response to this Bloomberg Businessweek story? I'm posting a link story and wanted to include a response from WEDC.

https://www.bloomberg.com/news/features/2019-02-06/inside-wisconsin-s-disastrous-4-5-billion-deal-with-foxconn

Sincerely,

# Matthew DeFour

Wisconsin State Journal 1901 Fish Hatchery Road Madison, WI 53713

(608) 252-6144

twitter.com/WSJMattD4

From: Mark Hogan
To: Richard Kirchen
Cc: Kelly Lietz

Subject: Re: Bloomberg BusinessWeek article comment
Date: Thursday, February 7, 2019 9:20:27 AM

Kelly - please send Rich WEDC's comment in the Bloomberg article. Thanks. - Mark Get Outlook for iOS

From: Richard Kirchen < rkirchen@bizjournals.com>

Sent: Thursday, February 7, 2019 9:15 AM

To: Mark Hogan

Subject: Re: Bloomberg BusinessWeek article comment

Mark: Can you please have him send that over? Thanks

Rich Kirchen

From: Mark Hogan <mark.hogan@wedc.org>
Date: Thursday, February 7, 2019 at 9:03 AM
To: Richard Kirchen <rkirchen@bizjournals.com>

Subject: Re: Bloomberg BusinessWeek article comment

Kelly Lietz has a comment from WEDC that he can provide you. Other than that, I have nothing to offer.

#### Get Outlook for iOS

From: Richard Kirchen <rkirchen@bizjournals.com>

Sent: Thursday, February 7, 2019 8:39 AM

To: Mark Hogan

Subject: Bloomberg BusinessWeek article comment

Hi Mark: Someone just shared the Bloomberg BusinessWeek article on Wisconsin's 'disastrous'

Foxconn deal. Do you have any comment? Are you available to discuss today? Thanks

Rich Kirchen

From: Mark Hogan <mark.hogan@wedc.org>
Date: Thursday, January 31, 2019 at 9:59 AM
To: Richard Kirchen <rkirchen@bizjournals.com>

Subject: JS article comment

Hi Rich – This is what I provided JS in response to their article. - Mark

"I have been involved with the Foxconn project from day one and there never have been any side deals and the contract stands on its own. In addition, there have been no attempts by either the company or the Evers' or Walker administrations to renegotiate WEDC's contract.

Governor Evers and his administration have done a very good job of reaching out to company officials and developing a relationship that will protect our taxpayers' interests and at the same time, give Foxconn the ability to be successful in Wisconsin."

Mark R. Hogan
Secretary & CEO
Wisconsin Economic Development Corporation
201 W. Washington Avenue
Madison, WI 53703
(w) 608-210-6756

Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Twitter: <a href="http://twitter.com/InWisconsin">http://twitter.com/InWisconsin</a>



From: Mark Hogan
To: Kelly Lietz

Subject: RE: Bloomberg BusinessWeek article comment
Date: Thursday, February 7, 2019 11:09:49 AM

Attachments: <u>image002.png</u>

image003.png image004.png image005.png image006.png image007.png image09.png image010.png image011.png image013.png

Thank you, Kelly.

From: Kelly Lietz

Sent: Thursday, February 7, 2019 10:39 AM

To: Mark Hogan <mark.hogan@wedc.org>; Richard Kirchen <rkirchen@bizjournals.com>

**Subject:** RE: Bloomberg BusinessWeek article comment

Rich,

Here is a statement from Mark Hogan:

# Statement from Wisconsin Economic Development Corporation Secretary and CEO Mark R. Hogan:

"The Wisconsin Economic Development Corporation has developed and maintains a strong relationship with Foxconn representatives who continue to demonstrate their commitment to our state both through our ongoing dialogue and through their actions."

Also, here is a statement from Foxconn on the story:

## **Statement from Foxconn Technology Group**

The story in Bloomberg Businessweek (Feb, 6, 2019) attempts to paint a false picture of Foxconn Technology Group and its substantial investment in Wisconsin.

While relying largely on unnamed sources, anecdotes, and hearsay, the piece fails to give a balanced view of Foxconn's project in Wisconsin. It omits much of the detailed information Foxconn shared with Bloomberg Businessweek containing highlights of the Wisconsin project, an outline of Foxconn's partnerships throughout the state, and an overview of the company's positive economic impact in Wisconsin.

Foxconn's commitment to Wisconsin remains as strong as ever. In addition to creating more than a thousand jobs in the state so far, Foxconn invested over \$200 million to date in Wisconsin. We deepened our collaboration with a range of academic partners through initiatives like a pledge of \$100 million to UW Madison for the Foxconn Institute for Research in Science and Technology and the Smart Cities, Smart Futures Competition. We forged strong relationships with Wisconsin's business community, supported Badger State companies, invested in Wisconsin industries like Ginseng, and co-established the \$100 million Wisconn Valley Venture Fund to help Wisconsin businesses continue to advance towards the future. While doing all of this, we completed the first of many buildings at the Wisconn Valley Science and Technology Park, and established a network of Innovation Centers throughout Wisconsin to support the project and the state's technology ecosystem. We continue to make good progress on all

fronts related to the Wisconn Valley Science and Technology Park, while simultaneously broadening our investment across Wisconsin far beyond our original plans to ensure the company, our workforce, the local community, and the state of Wisconsin will be positioned for long-term success.

As Foxconn continues its Wisconsin project, it remains committed to its long-term investment and creating 13,000 jobs in Wisconsin. We look forward to engaging further with the good people of Wisconsin as we continue to invest in American talent and broaden the base of our investment in the state.

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858









Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Mark Hogan

Sent: Thursday, February 7, 2019 9:20 AM

**To:** Richard Kirchen < <u>rkirchen@bizjournals.com</u>>

**Cc:** Kelly Lietz < kelly.lietz@wedc.org>

**Subject:** Re: Bloomberg BusinessWeek article comment

Kelly - please send Rich WEDC'scomment in the Bloomberg article. Thanks. - Mark

Get <u>Outlook for iOS</u>

**From:** Richard Kirchen < rkirchen@bizjournals.com>

Sent: Thursday, February 7, 2019 9:15 AM

To: Mark Hogan

**Subject:** Re: Bloomberg BusinessWeek article comment

Mark: Can you please have him send that over? Thanks

Rich Kirchen

From: Mark Hogan < mark.hogan@wedc.org > Date: Thursday, February 7, 2019 at 9:03 AM

To: Richard Kirchen < rkirchen@bizjournals.com >

**Subject:** Re: Bloomberg BusinessWeek article comment

Kelly Lietz has a comment from WEDC that he can provide you. Other than that, I have nothing to offer.

Get Outlook for iOS

**From:** Richard Kirchen < rkirchen@bizjournals.com>

Sent: Thursday, February 7, 2019 8:39 AM

To: Mark Hogan

Subject: Bloomberg BusinessWeek article comment

Hi Mark: Someone just shared the Bloomberg BusinessWeek article on Wisconsin's 'disastrous' Foxconn deal. Do you have any comment? Are you available to discuss today? Thanks

Rich Kirchen

From: Mark Hogan < mark.hogan@wedc.org>
Date: Thursday, January 31, 2019 at 9:59 AM
To: Richard Kirchen < rkirchen@bizjournals.com>

**Subject:** JS article comment

Hi Rich – This is what I provided JS in response to their article. - Mark

"I have been involved with the Foxconn project from day one and there never have been any side deals and the contract stands on its own. In addition, there have been no attempts by either the company or the Evers' or Walker administrations to renegotiate WEDC's contract.

Governor Evers and his administration have done a very good job of reaching out to company officials and developing a relationship that will protect our taxpayers' interests and at the same time, give Foxconn the ability to be successful in Wisconsin."

Mark R. Hogan Secretary & CEO Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703 (w) 608-210-6756

Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Twitter: <a href="http://twitter.com/InWisconsin">http://twitter.com/InWisconsin</a>



From: Mark Hogan

Tricia Braun; Jela Trask

<u>@hotmail.com</u>; <u>Kathie Colbert</u>

Subject: liaison role

**Date:** Thursday, February 7, 2019 11:24:11 AM

Attachments:

Hi Tricia, Jela, and

I have now had the opportunity to mention 's interest in the Foxconn liaison role (previously held by Matt Moroney) with both Jela and Tricia. I would appreciate having the two of you meet with to provide your background, perspectives and ideas regarding the role. As important, I have discussed with how we are leveraging Foxconn's growing presence as a catalyst for other opportunities for small and midsized companies throughout Wisconsin (e.g. supply chain marketplace, WMEP & productivity, etc).

I am including Kathie Colbert on this email and she can help coordinate the meeting. Although I have had an opportunity to talk with a couple of times via phone, I would welcome the opportunity to meet with him in person. But I would like your meeting to take place as soon as possible and I would not want you to delay your meeting due to my schedule. fyi, will also be meeting with Claude Lois and Jenny Trick in the next few days. Thanks to everyone. - Mark

Mark R. Hogan
Secretary & CEO
Wisconsin Economic Development Corporation
201 W. Washington Avenue
Madison, WI 53703
(w) 608-210-6756
(m)

Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Twitter: <a href="http://twitter.com/InWisconsin">http://twitter.com/InWisconsin</a>



From: <u>Jela Trask</u>

To: <u>Kathie Colbert</u>; <u>Tricia Braun</u>

Subject: RE: liaison role

**Date:** Thursday, February 7, 2019 11:28:08 AM

Attachments: <u>image002.png</u>

image003.png image004.png image005.png image006.png

It would be great if we can coordinate our availability for this to happen over the next few days as I leave on the  $14^{th}$  for 10dys.

Jela Trask
Key Business Liaison
Business & Investment Attraction Director
Wisconsin Economic Development Corporation
201 W. Washington Ave
Madison, WI 53703

Ph: 608.210.6759



Website: http://inwisconsin.com

Newsletters: http://inwisconsin.com/subscribe/



From: Mark Hogan

Sent: Thursday, February 7, 2019 11:23 AM

**To:** Tricia Braun <tricia.braun@wedc.org>; Jela Trask <jela.trask@wedc.org>

**Cc:** @hotmail.com; Kathie Colbert <kathie.colbert@wedc.org>

**Subject:** liaison role

Hi Tricia, Jela, and

I have now had the opportunity to mention 's interest in the Foxconn liaison role (previously held by Matt Moroney) with both Jela and Tricia. I would appreciate having the two of you meet with to provide your background, perspectives and ideas regarding the role. As important, I have discussed with how we are leveraging Foxconn's growing presence as a catalyst for other opportunities for small and midsized companies throughout Wisconsin (e.g. supply chain marketplace, WMEP & productivity, etc).

I am including Kathie Colbert on this email and she can help coordinate the meeting. Although I have had an opportunity to talk with a couple of times via phone, I would welcome the opportunity to meet with him in person. But I would like your meeting to take place as soon as possible and I would not want you to delay your meeting due to my schedule. fyi, will also be meeting with Claude Lois and Jenny Trick in the next few days.

Thanks to everyone. - Mark

Mark R. Hogan
Secretary & CEO
Wisconsin Economic Development Corporation
201 W. Washington Avenue
Madison, WI 53703
(w) 608-210-6756
(m)

Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Twitter: <a href="http://twitter.com/InWisconsin">http://twitter.com/InWisconsin</a>



From: Kathie Colbert on behalf of <u>Tricia Braun</u>
To: ; <u>Tricia Braun</u>; <u>Jela Trask</u>

Cc: Mark Hogan
Subject: RE: liaison role

Date: Thursday, February 7, 2019 1:09:00 PM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image005.png image006.png

Tuesday at 1:00 it is - I'll send a calendar invitation for meeting here at 201 W Washington Ave, 6<sup>th</sup> Floor.

Thanks! Kathie

From: @hotmail.com>
Sent: Thursday, February 7, 2019 12:58 PM

To: Tricia Braun <tricia.braun@wedc.org>; Jela Trask <jela.trask@wedc.org>

Cc: Kathie Colbert <kathie.colbert@wedc.org>; Mark Hogan <mark.hogan@wedc.org>

**Subject:** RE: liaison role

Mark – Thanks for the introduction. I share your interest in meeting in person. Please let me know your availability when you have it.

Tricia and Jela - It's nice to be introduced to both of you. I look forward to speaking with you about this role. I'm particularly interested to understand how it integrates with the state's broader economic development agenda.

Kathie – Thank you for suggesting times for a meeting with Tricia and Jela. If Tuesday afternoon at 1 pm still works, let's meet then. If so, shall we meet at WEDC's W. Washington address? Thanks.

Best regards,



From: Tricia Braun < <a href="mailto:tricia.braun@wedc.org">tricia.braun@wedc.org</a> Sent: Thursday, February 7, 2019 11:56 AM

**To:** Mark Hogan <<u>mark.hogan@wedc.org</u>>; Jela Trask <<u>jela.trask@wedc.org</u>>

**Cc:** <u>@hotmail.com</u>; Kathie Colbert <<u>kathie.colbert@wedc.org</u>>

Subject: RE: liaison role

Thanks, Mark!

– We are excited to meet with you as this role is truly integral to the state's connection with the Foxconn project. Hopefully Kathie can find a time on our calendars for us to connect in the next week.

Looking forward to it, Tricia

Tricia R. Braun
Chief Operating Officer
Wisconsin Economic Development Corporation
201 W. Washington Avenue
Madison, WI 53703

O: 608.210.6807

tricia.braun@wedc.org



Website: http://inwisconsin.com

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Mark Hogan

Sent: Thursday, February 7, 2019 11:23 AM

To: Tricia Braun < <a href="mailto:tricia.braun@wedc.org">tricia.braun@wedc.org</a>; Jela Trask < <a href="mailto:jela.trask@wedc.org">jela.trask@wedc.org</a>

**Cc:** @hotmail.com; Kathie Colbert <<u>kathie.colbert@wedc.org</u>>

Subject: liaison role

Hi Tricia, Jela, and

I have now had the opportunity to mention 's interest in the Foxconn liaison role (previously held by Matt Moroney) with both Jela and Tricia. I would appreciate having the two of you meet with to provide your background, perspectives and ideas regarding the role. As important, I have discussed with how we are leveraging Foxconn's growing presence as a catalyst for other opportunities for small and midsized companies throughout Wisconsin (e.g. supply chain marketplace, WMEP & productivity, etc).

I am including Kathie Colbert on this email and she can help coordinate the meeting. Although I have had an opportunity to talk with a couple of times via phone, I would welcome the opportunity to meet with him in person. But I would like your meeting to take place as soon as possible and I would not want you to delay your meeting due to my schedule. fyi, will also be meeting with Claude Lois and Jenny Trick in the next few days.

Thanks to everyone. - Mark

Mark R. Hogan
Secretary & CEO
Wisconsin Economic Development Corporation
201 W. Washington Avenue
Madison, WI 53703
(w) 608-210-6756
(m)

Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Twitter: <a href="http://twitter.com/InWisconsin">http://twitter.com/InWisconsin</a>



 From:
 Tricia Braun

 To:
 Mark Hogan

**Subject:** FW: Foxconn Liaison PD

**Date:** Tuesday, February 12, 2019 10:38:00 AM

Attachments: image001.png

image002.png image003.png image004.png image005.png image006.png

FYI

From: Torhorst, Tia S - DOA <tia.torhorst@wisconsin.gov>

**Sent:** Tuesday, February 12, 2019 10:37 AM **To:** Tricia Braun <tricia.braun@wedc.org> **Cc:** Anne Jesko <anne.jesko@wedc.org>

Subject: RE: Foxconn Liaison PD

Good morning-

The Division of Personnel Management is working through this and will circulate what they have soon.

Thank you,

Tia

From: Tricia Braun < <a href="mailto:tricia.braun@wedc.org">tricia.braun@wedc.org</a> Sent: Monday, February 11, 2019 9:16 AM

**To:** Torhorst, Tia S - DOA < tia.torhorst@wisconsin.gov >

Cc: Anne Jesko <anne.jesko@wedc.org>

Subject: Foxconn Liaison PD

Good morning, Tia -

Our VP of HR (cc'd) is working on the position/add for the Foxconn Liaison (aka Matt Moroney) role that was moved to WEDC. Would it be possible to share the Position Description? It seems that since it is essentially the same role it would make more sense to replicate DOA's version rather than develop a new one from scratch.

If there is someone else I should reach out to for the info, just let me know.

Thanks!!

Tricia

Tricia R. Braun
Chief Operating Officer
Wisconsin Economic Development Corporation

201 W. Washington Avenue Madison, WI 53703

O: 608.210.6807

tricia.braun@wedc.org









Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>



 From:
 Tricia Braun

 To:
 Mark Hogan

 Subject:
 Fwd: Request

**Date:** Tuesday, February 12, 2019 11:56:11 AM

Attachments: image002.png

image004.png image005.png image006.png image018.png image019.png

#### **FYI**

# Begin forwarded message:

From: "Dally, Lisa E - DOA" < Lisa. Dally@wisconsin.gov>

**Date:** February 12, 2019 at 11:49:14 AM CST

**To:** Anne Jesko <anne.jesko@wedc.org>, "Braun. Tricia"

<tricia.braun@wedc.org>

Cc: "Torhorst, Tia S - DOA" < tia.torhorst@wisconsin.gov >

**Subject: RE: Request** 

Good morning,

Thank you Anne, I am staying warm despite our snowy adventures this year! Hope you are as well.

The unclassified project position of Economic Development Liaison was created in September/October 2017 and an appointment to the position was made shortly after creation. There is not a position description per se, however the language provided by LFB in a summary of the bill's provisions provides some minimal guidance on the intent of it:

## Economic Development Liaison

The Act provides \$183,500 GPR in 2017-18 and \$177,500 GPR in 2018-19 and 1.0 unclassified GPR project position annually to DOA's supervision and management general program operations appropriation for economic development liaison activities under an agreement with the Wisconsin Economic Development Corporation. The Act specifies that position authority and funding be provided effective on the day after publication of the Act or on the second day after publication of the 2017-19 biennial budget act, whichever is later [the date of publication of the budget act was September 22, 2017]. Under the Act, the project position has an end date of December 31, 2022. Under current law (s. 230.27(1) of the statutes), a project position may not exist for more than four years. The Act specifies that the four-year limit does not apply to this position. In addition, the Act assigns the project position to Executive Salary Group 4, for which the annual salary range specified in the current state compensation plan is \$76,066 to \$125,528. The administration indicates that the position will serve as the state's primary point of contact for any matters regarding Foxconn. The position is appointed by the Secretary of DOA.

[Act 58 Sections: 61(1) and 63]

Therefore I would say you have latitude on the duties assigned to this position.

Please let me know if I can provide any additional info.

Thank you! Lisa



LISA DALLY | Human Resources Program Officer
Department of Administration
Division of Personnel Management
lisa.dally@wisconsin.gov

Direct: (608) 261-8078 | Fax: (608) 264-7648

y

From: Anne Jesko <anne.jesko@wedc.org> Sent: Tuesday, February 12, 2019 6:56 AM

To: Dally, Lisa E - DOA < Lisa. Dally@wisconsin.gov>

**Subject:** Request

Good Morning Lisa,

I hope you are staying warm despite this snow storm we are experiencing!

Recently a change was made to transition a role from DOA to WEDC.

The position was the Strategic Economic Initiatives Director role formerly held by Matt Moroney.

Can you direct me to the right place to obtain a copy of the position description you guys used for that role?

We are in the process of trying to fill it and it would be a great time saver to use that as a draft.

Thank you in advance!

#### **Anne Jesko**

Vice President, Human Resources

Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Office: 608.210.6712 Mobile: anne.jesko@wedc.org



Website: http://inwisconsin.com

Newsletters: http://inwisconsin.com/subscribe/

From: Jela Trask Kelly Lietz To:

Subject: RE: Media Protocol to be udpated Date: Tuesday, February 12, 2019 12:52:59 PM

Attachments: image019.png

image020.png image021.png image022.png image023.png image001.png image002.png image003.png image004.png image005.png image007.png image008.png image009.png image010.png image011.png image017.png image024.png image025.png image026.png image027.png

OK - I'II cc you on the response.

I'll make sure to run it by Mark and Tricia first and I'll cc you in that communication as well.

Jela Trask Key Business Liaison **Business & Investment Attraction Director** Wisconsin Economic Development Corporation 201 W. Washington Ave Madison, WI 53703

Ph: 608.210.6759







Website: http://inwisconsin.com

Newsletters: http://inwisconsin.com/subscribe/



From: Kelly Lietz

**Sent:** Tuesday, February 12, 2019 12:50 PM

To: Jela Trask < jela.trask@wedc.org>

Subject: RE: Media Protocol to be udpated

Yeah. That seems to be plan for the "interim". Beyond that, I don't know what the process or timeline is going to be for filling this role.

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858









Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Jela Trask

Sent: Tuesday, February 12, 2019 10:26 AM

To: Kelly Lietz < kelly.lietz@wedc.org>

Subject: FW: Media Protocol to be udpated

Hi – please see attached. How would you like to handle – confirming that in the interim, you will continue to be the WEDC media contact? If so, I'm happy to update this document, just wasn't sure if you needed to confirm this with Mark.

Jela Trask Key Business Liaison Business & Investment Attraction Director Wisconsin Economic Development Corporation 201 W. Washington Ave Madison, WI 53703

Ph: 608.210.6759



Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: http://inwisconsin.com/subscribe/



From: Jenny Trick < itrick@rcedc.org>

Sent: Tuesday, February 12, 2019 10:18 AM

**To:** Torhorst, Tia S - DOA < <a href="mailto:tia.torhorst@wisconsin.gov">tia.torhorst@wisconsin.gov</a>>; Patton, Chris - DOA

<<u>chris.patton@wisconsin.gov</u>>; Jela Trask <<u>jela.trask@wedc.org</u>>

**Cc:** James Madlom < <u>imadlom@muellercommunications.com</u>>; Elizabeth Hummitzsch

<ehummitzsch@muellercommunications.com>

Subject: Media Protocol to be udpated

Tia, Chris and Jela,

One matter that should be addressed is the media protocol document. The most recent version is attached - please note that there have been staff changes at the state level. If you would be willing to update or forward this information to be updated, that would be greatly appreciated.

Thank you! Jenny Trick

Jenny Trick, Executive Director



Racine County Economic Development Corporation 2320 Renaissance Boulevard Sturtevant, WI 53177

T: 00+1.262.898.7424 M:

<u>LinkedIn</u> <u>www.RCEDC.org</u>

Questions on Foxconn? Foxconn In Racine County

Invest in Racine County's Future: Invest in RCEDC

From: Mark Hogan
To: Jela Trask

Cc: <u>Tricia Braun; Kelly Lietz</u>

Subject: RE: Media Protocol to be udpated

Date: Tuesday, February 12, 2019 3:03:21 PM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image005.png

Thanks, Jela. Yes, I would use Kelly as WEDC's contact for now and agree we can revisit the info as changes take place. Thanks again. - Mark

From: Jela Trask

**Sent:** Tuesday, February 12, 2019 2:37 PM **To:** Mark Hogan <mark.hogan@wedc.org>

Cc: Tricia Braun <tricia.braun@wedc.org>; Kelly Lietz <kelly.lietz@wedc.org>

Subject: RE: Media Protocol to be udpated

Hi Mark

Jenny shared the attached media protocol that was developed back in Jan 2018. With some of the changes across the team, she's asking for input on updating it. I've already informed them a few weeks back that Kelly is fielding media related inquiries and will coordinate as needed with the different teams.

It might be easiest to provide Kelly's name for WEDC for now and let Tia and Chris weigh in on the DOA comms responsibilities previously held by Jennifer Grinder and John Dipko. We may want to revisit this setup when we hire Matt's replacement.

Let me know your thoughts. Thanks!

Jela Trask Key Business Liaison Business & Investment Attraction Director Wisconsin Economic Development Corporation 201 W. Washington Ave Madison, WI 53703

Ph: 608.210.6759



Website: http://inwisconsin.com

Newsletters: http://inwisconsin.com/subscribe/



**From:** Jenny Trick < <u>itrick@rcedc.org</u>>

**Sent:** Tuesday, February 12, 2019 10:18 AM

**To:** Torhorst, Tia S - DOA < <a href="mailto:tia.torhorst@wisconsin.gov">tia.torhorst@wisconsin.gov</a>>; Patton, Chris - DOA

<a href="mailto:chris.patton@wisconsin.gov">chris.patton@wisconsin.gov</a>; Jela Trask < <a href="mailto:jela.trask@wedc.org">jela.trask@wedc.org</a>>

**Cc:** James Madlom <<u>imadlom@muellercommunications.com</u>>; Elizabeth Hummitzsch

<ehummitzsch@muellercommunications.com>

**Subject:** Media Protocol to be udpated

Tia, Chris and Jela,

One matter that should be addressed is the media protocol document. The most recent version is attached - please note that there have been staff changes at the state level. If you would be willing to update or forward this information to be updated, that would be greatly appreciated.

Thank you! Jenny Trick

Jenny Trick, Executive Director



Racine County Economic Development Corporation 2320 Renaissance Boulevard Sturtevant, WI 53177

T: 00+1.262.898.7424 M: 00+

<u>LinkedIn</u>

www.RCEDC.org

Questions on Foxconn? Foxconn In Racine County

Invest in Racine County's Future: Invest in RCEDC

From: <u>Jela Trask</u>

To: <u>Jenny Trick; Torhorst, Tia S - DOA; Patton, Chris - DOA</u>
Cc: <u>James Madlom; Elizabeth Hummitzsch; Kelly Lietz</u>

Subject: RE: Media Protocol to be udpated

Date: Tuesday, February 12, 2019 3:51:36 PM

Attachments: Media Protocol Feb 2018jt.docx

image013.png image014.png image015.png image016.png image017.png

### Hi Jenny

Attached is the updated sheet with Kelly's contact information for the interim until there is a longer-term solution in place. Thanks!

Jela Trask
Key Business Liaison
Business & Investment Attraction Director
Wisconsin Economic Development Corporation
201 W. Washington Ave
Madison, WI 53703

Ph: 608.210.6759



Website: http://inwisconsin.com

Newsletters: http://inwisconsin.com/subscribe/



From: Jenny Trick < itrick@rcedc.org>

Sent: Tuesday, February 12, 2019 10:18 AM

**To:** Torhorst, Tia S - DOA <tia.torhorst@wisconsin.gov>; Patton, Chris - DOA

<chris.patton@wisconsin.gov>; Jela Trask <jela.trask@wedc.org>

**Cc:** James Madlom <imadlom@muellercommunications.com>; Elizabeth Hummitzsch

<ehummitzsch@muellercommunications.com>

Subject: Media Protocol to be udpated

Tia, Chris and Jela,

One matter that should be addressed is the media protocol document. The most recent version is attached - please note that there have been staff changes at the state level. If you would be willing to update or forward this information to be updated, that would be greatly appreciated.

# Thank you! Jenny Trick

Jenny Trick, Executive Director



Racine County Economic Development Corporation 2320 Renaissance Boulevard Sturtevant, WI 53177 T: 00+1.262.898.7424

M:

LinkedIn

www.RCEDC.org

Questions on Foxconn? Foxconn In Racine County Invest in Racine County's Future: Invest in RCEDC

# Foxconn Project Team Media Protocol

# **Foxconn Project Team**

The Foxconn Project is the largest economic development project in Wisconsin's history, which requires unprecedented coordination and collaboration among a wide-range of public agencies, local governments and private organizations to ensure its effective and timely completion. The Foxconn Project Team includes:

- RCEDC
- Racine County
- Mount Pleasant
- Gilbane

- State of Wisconsin
  - o Governor's Office
  - o DOA
  - o DOT
  - o DNR
  - o DWD
  - o PSC
  - o WEDC

This policy is also intended to apply to local municipalities in Racine County that receive inquiries related to the Foxconn project, but are not currently part of the Project Team.

# **Guiding Media Philosophy**

Given the scope and scale of the project, it has and will continue to draw significant interest from the media, both locally and nationally. The Project Team should strive, at all times, to be responsive and helpful to members of the media. Media inquiries must be responded to in a way that is clear, concise, accurate and timely to help ensure the media reports accurate information.

In addition, given the number of entities involved, it is important that the Foxconn Project Team maintain open lines of communication regarding activities /milestones that are likely to generate media outreach and inquiries. It should operate under a "no surprises" rule – providing advance notice of activities / developments that have the potential to generate media interest.

# **Media Protocol**

<u>Local Governments:</u> As a general rule, Jenny Trick will serve as the attributed spokesperson for all inquiries to local governments for which RCEDC is serving as their agent (e.g., Racine County, Mount Pleasant, etc.) and for inquiries to other entities, where the inquiry deals with matters about the project overall (vs. the specific subject matter expertise of the Project Team member). In other matters, she will provide guidance and approval, where appropriate, on responses that will be attributed to the relevant Project Team member. <u>All such inquiries should be directed to Jenny Trick and Mueller Communications.</u>

<u>State Agencies:</u> State agencies will provide their own responses to the media. Where possible, agencies should provide their response to Jenny Trick, Mueller Communications and Jennifer Grinder prior to sending to the media, to ensure consistency of message and to enhance line of site across agencies and between the local and state teams.

## **Preparing for Potential Media Inquiries**

Whenever possible, the Foxconn Project Team should strive to proactively identify potential sources of media interest in advance, and be prepared to either proactively share that information or be prepared to respond to inquiries.

Where possible, Project Team members should:

- Identify areas of potential media interest and report as part of the weekly information sharing meetings;
- If the matter is more timely, alert Mueller Communications and Jennifer Grinder; and
- Identify available background information and prepare initial draft talking points in response.

# **Key Media Contact Information**

- **Jenny Trick, RCEDC** (Spokesperson for local Project Team): <a href="mailto:jtrick@rcedc.org">jtrick@rcedc.org</a> or 1.262.898.7424
- **James Madlom, Mueller Communications** (communications counsel for local Project Team): <a href="mailto:JMadlom@MuellerCommunications.com">JMadlom@MuellerCommunications.com</a> or 414-390-5500
- Jennifer Grinder, DOA: Jennifer.Grinder@wisconsin.gov or (608) 264-6389
- Steve Michels, DOA: <a href="mailto:Steven.Michels@wisconsin.gov">Steve Michels, DOA: Steven.Michels@wisconsin.gov</a> or (608) 267-7874
- Kelly Lietz, WEDC <u>kelly.lietz@wedc.org</u> or (608) 210-6858
- Michael Pyritz, DOT: Michael.Pyritz@dot.wi.gov or (262) 521-5373
- Becky Kikkert, DOT: Rebecca.Kikkert@wisconsin.gov or (608) 266-3581
- **Jim Dick, DNR**: James.Dick@wisconsin.gov or 608-267-2773
- Matthew Spencer, PSC: matthew2.spencer@wisconsin.gov or 608-267-3589
- Kirsten Reader, DSPS: Kirsten.Reader@wisconsin.gov or (608) 266-6795
- **John Dipko, DWD:** John.Dipko@dwd.wisconsin.gov or (608) 266-2722
- Amy Hasenberg, Governor's Office: <u>Amy.Hasenberg@wisconsin.gov</u> or (608) 266-2839

From: Jela Trask

To: Mark Hogan; Tricia Braun Subject: Foxconn Comms Support

Date: Tuesday, January 29, 2019 9:26:21 AM

Attachments: image013.png

image014.png image015.png image016.png image017.png

Per our understanding during this time of uncertainty with Mark's condition, I just wanted to let you know that I've reached out to Jenny Trick, James Madlom, Myranda Tanck (Platform Comms), Gilbane and Robert Schlager to let them know that if there's anything they might need WEDC's support on, they can contact me and I would help navigate their inquiries on our end.

I've also informed them that we will pause the Wisconn Valley Newsletter primarily since there isn't too much new to update as construction is in stabilization mode with the winter season. I've asked Maddie to reach out to DOT and any other state agency (not sure there are others) that have provided us content for the newsletter or website to continue to do so and we will handle as needed depending on the time-sensitive nature of the request.

Please let me know if there's anything else I can do for any Foxconn-related support or anything else that you can think of.

Jela Trask Key Business Liaison **Business & Investment Attraction Director** Wisconsin Economic Development Corporation 201 W. Washington Ave Madison, WI 53703

Ph: 608.210.6759









Newsletters: http://inwisconsin.com/subscribe/



From: Mark Hogan

To: <u>Jennifer Jin; Brian Nowicki; Amy Young; Justin Phillips</u>

Cc:Tricia Braun; Kathie ColbertSubject:FW: LAC LAB Letter 01312019Date:Tuesday, January 29, 2019 5:25:32 PMAttachments:LAC LAB Letter 01312019.docx

Thanks to all of you for pulling things together for today's board meeting. It was a bit of organized chaos, but we accomplished what needed to get done.

The next step is to get the attached letter (please note Jenn's typo comment in bullet 3) on my letterhead, have it signed electronically and then delivered to the JLAC on or before January 31<sup>st</sup> (Thursday).

I recognize the timing and the weather may not be ideal, so I am ok with doing everything electronically by Thursday (including having it emailed to the co-chairs) and then follow with the originals delivered.

Kathie & Justin – Please work to get this accomplished. Thanks again to all of you. - Mark

From: Jennifer Jin

**Sent:** Friday, January 25, 2019 11:35 AM **To:** Mark Hogan <mark.hogan@wedc.org>

**Subject:** LAC LAB Letter 01312019

Hi Mark,

One minor typo. Other than that, it looks great.

Jenn

Senator Robert Cowles 118 South - State Capitol Madison, WI 53707 Representative Samantha Kerkman 315 North - State Capitol Madison, WI 53707

Dear Senator Cowles and Representative Kerkman:

The Legislative Audit Bureau's (LAB) Report 18-18 recommended the Wisconsin Economic Development Corporation (WEDC) provide a status to the Joint Legislative Audit Committee by January 31, 2019, on WEDC's efforts to implement LAB's recommendations contained within the report.

Enacted in September 2017, Wisconsin Act 58 created the Electronics and Information Technology Manufacturing Zone ("EITMZ") which provided the statutory guidelines for WEDC's contract with Foxconn. Act 58 also required the LAB to annually evaluate, for five years, WEDC's process for verifying information submitted by Foxconn, including whether WEDC is adhering to statutory and contractual requirements when verifying tax credits. LAB's Report 18-18 was issued in December 2018 and it represents LAB's first review as required by Act 58.

LAB's Report 18-18 indicated WEDC's written procedures allowed WEDC to award program tax credits for "any employee that does not live in Wisconsin" as long as these employees are paid in the zone. LAB indicated these written procedures "do not comply with (the Act 58) statutes or WEDC's Foxconn contract because they allow WEDC to award program tax credits for the wages of employees who do not perform services in Wisconsin."

To address this issue, LAB recommended WEDC:

- (1) "modify its written procedures to require it to award tax credits under the EITMZ program only for the wages of employees who perform services in Wisconsin";
- (2) "provide these modified procedures to its governing board"; and
- (3) "report to the Joint Legislative Audit Committee by January 31, 24019, on the status of its efforts to implement these recommendations."

WEDC has modified its written procedures to align with LAB's recommendations and these recommended changes were reviewed and accepted by WEDC's Board of Directors at its January 29, 2019 meeting.

We appreciate the opportunity to respond to LAB's Report 18-18. Continuous improvement efforts are incorporated into all areas of WEDC's operations and LAB's recommendations, along with WEDC's responses, are an important part of these efforts.

If you have any questions or would like any additional information, please contact me directly.

From: Mark Hogan
To: Kathie Colbert
Cc: Kelly Lietz

**Subject:** Re: Foxconn"s changing plans

Date: Wednesday, January 30, 2019 8:51:28 AM

### I will take care of both requests.

### Get Outlook for iOS

From: Kathie Colbert <kathie.colbert@wedc.org> Sent: Wednesday, January 30, 2019 8:50 AM

**To:** Mark Hogan **Cc:** Kelly Lietz

Subject: FW: Foxconn's changing plans

Mark H – another question re Foxconn article. Not sure if you or Kelly should respond?

Thanks Kathie

From: Arthur Thomas <arthur.thomas@biztimes.com>

Sent: Wednesday, January 30, 2019 8:38 AMTo: Mark Maley <mark.maley@wedc.org>Cc: Kelly Lietz <kelly.lietz@wedc.org>Subject: Foxconn's changing plans

Hi Mark and Kelly,

I'm wondering if WEDC has any comment on the Reuters report that Foxconn is again changing its plans away from building an LCD panel factory. If there are only packaging and assembly operations would the company still meet the requirements of its contract?

Best,

Arthur Thomas
Reporter
BizTimes Milwaukee
414-336-7123
@arthur8823

 From:
 Tricia Braun

 To:
 Kelly Lietz

 Cc:
 Jela Trask

**Subject:** Re: Foxconn"s changing plans

Date: Wednesday, January 30, 2019 8:57:28 AM

Attachments: <u>image012.png</u>

image013.png image014.png image015.png image016.png

Thanks, Kelly. Cc'ing Jela as she will be coordinating any responses with MH.

On Jan 30, 2019, at 8:48 AM, Kelly Lietz < kelly.lietz@wedc.org > wrote:

FYI.

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858

<image012.png><image013.png><image014.png><image015.png><image016.png>

Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>

<image011.jpg>

**From:** Arthur Thomas <arthur.thomas@biztimes.com>

Sent: Wednesday, January 30, 2019 8:38 AMTo: Mark Maley <mark.maley@wedc.org>Cc: Kelly Lietz <kelly.lietz@wedc.org>Subject: Foxconn's changing plans

Hi Mark and Kelly,

I'm wondering if WEDC has any comment on the Reuters report that Foxconn is again changing its plans away from building an LCD panel factory. If there are only packaging and assembly operations would the company still meet the requirements of its contract?

Best,

Arthur Thomas
Reporter
BizTimes Milwaukee
414-336-7123
@arthur8823

From: <u>Jela Trask</u>

To: <u>Tricia Braun; Kelly Lietz</u>
Subject: RE: Foxconn"s changing plans

Date: Wednesday, January 30, 2019 9:06:03 AM

Attachments: image001.png

image002.png image003.png image004.png image005.png

Morning! I just spoke with Mark Hogan and he's asked that if we get any inquiries just to send them directly to him. Thanks.

Jela Trask Key Business Liaison Business & Investment Attraction Director Wisconsin Economic Development Corporation 201 W. Washington Ave Madison, WI 53703

Ph: 608.210.6759



Website: http://inwisconsin.com

Newsletters: http://inwisconsin.com/subscribe/



From: Tricia Braun

Sent: Wednesday, January 30, 2019 8:57 AM

To: Kelly Lietz <kelly.lietz@wedc.org>
Cc: Jela Trask <jela.trask@wedc.org>
Subject: Re: Foxconn's changing plans

Thanks, Kelly. Cc'ing Jela as she will be coordinating any responses with MH.

On Jan 30, 2019, at 8:48 AM, Kelly Lietz < kelly.lietz@wedc.org > wrote:

FYI.

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858

<image012.png> <image013.png> <image014.png> <image015.png> <image016.png>

Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>

<image011.jpg>

**From:** Arthur Thomas <arthur.thomas@biztimes.com>

Sent: Wednesday, January 30, 2019 8:38 AMTo: Mark Maley < <a href="mark.maley@wedc.org">mark.maley@wedc.org</a>Cc: Kelly Lietz < <a href="mailto:kelly.lietz@wedc.org">kelly.lietz@wedc.org</a>Subject: Foxconn's changing plans

Hi Mark and Kelly,

I'm wondering if WEDC has any comment on the Reuters report that Foxconn is again changing its plans away from building an LCD panel factory. If there are only packaging and assembly operations would the company still meet the requirements of its contract?

Best,

Arthur Thomas Reporter BizTimes Milwaukee 414-336-7123 @arthur8823 From: Mark Hogan
To: Kelly Lietz

Subject: FW: Reuter"s Article Regarding Foxconn"s Investment in Wisconsin

**Date:** Wednesday, January 30, 2019 10:44:26 AM

From: Louis Woo < Ouis @ifengpai.com> Sent: Wednesday, January 30, 2019 9:24 AM

**To:** Mark Hogan <mark.hogan@wedc.org>; quincy.tse < Quincy @ifengpai.com> **Cc:** Brennan, Joel - DOA <joel.brennan@wisconsin.gov>; peter.barca@wisconsin.gov

**Subject:** Re: Reuter's Article Regarding Foxconn's Investment in Wisconsin

But there are a few highlights of the article which we should take note of.

- We have NOT shelved the commitment to invest in Wisconsin. That was the reporter's words to attract eyeballs.
- 2. Given the changing dynamics of the global economy in these two years, we are certainly reconsidering which TFT technology to build to make sense and to best suit for our campus and our investment in Wisconsin.
- 3. Nonetheless we will go ahead to build the following in the next 18 months.
  - a) A LCM backend packaging plant;
  - b) A high precision molding factory
  - c) A system integration assembly facility regardless of what TFT technology is to be considered.
  - d) A rapid prototyping center to help startups to test out their hardware ideas and concepts which will go in line with building the AI 8K+5G ecosystem
  - e) A R&D center and
  - f) A high-performance data center inside the park or in the vicinity and
  - g) A town center to support the people working in the Wisconn Valley Park
- 4. As a responsible employer, a faithful supplier to our customers and a public list company to maximize shareholders' values, we have to make changes to any business plans from time to time to make adjustment to the changing economic conditions and changing

## customers' demands.

# Hopefully these highlights help.

## Louis

发件人: Mark Hogan < mark.hogan@wedc.org>

日期: 2019年1月30日 星期三 下午10:41

收件人: Louis Woo <<mark>LOUIS \_\_@ifengpai.com</mark>>, "quincy.tse" <<mark>Quincy \_@ifengpai.com</mark>> 抄送: "Brennan, Joel - DOA" <<u>joel.brennan@wisconsin.gov</u>>, "<u>peter.barca@wisconsin.gov</u>"

<peter.barca@wisconsin.gov>

主题: Re: Reuter's Article Regarding Foxconn's Investment in Wisconsin

Just found it, thanks.

Get Outlook for iOS

From: Mark Hogan < mark.hogan@wedc.org > Sent: Wednesday, January 30, 2019 8:39 AM

To: Louis Woo; quincy.tse

**Cc:** Brennan, Joel - DOA; <a href="mailto:peter.barca@wisconsin.gov">peter.barca@wisconsin.gov</a>

**Subject:** Re: Reuter's Article Regarding Foxconn's Investment in Wisconsin

Hi Louis - Have you released this yet? I have received some inquiries & would like to refer to your response. Please let me know. - Mark

Get Outlook for iOS

From: Louis Woo < Louis @ifengpai.com > Sent: Wednesday, January 30, 2019 6:19 AM

**To:** Mark Hogan; quincy.tse

Cc: Brennan, Joel - DOA; <a href="mailto:peter.barca@wisconsin.gov">peter.barca@wisconsin.gov</a>

**Subject:** Re: Reuter's Article Regarding Foxconn's Investment in Wisconsin

Mark,

Thanks.

Louis

发件人: Mark Hogan < mark.hogan@wedc.org>

日期: 2019年1月30日 星期三 下午8:16

收件人: "quincy.tse" < Quincy @ifengpai.com>

抄送: 'Louis Woo' <<mark>Louis @ifengpai.com</mark>>, "Brennan, Joel - DOA"

<joel.brennan@wisconsin.gov>, "peter.barca@wisconsin.gov" <peter.barca@wisconsin.gov>

主题: Re: Reuter's Article Regarding Foxconn's Investment in Wisconsin

Good morning, Quincy. As requested, I am forwarding your email to Joel & Peter.

Get Outlook for iOS

From: quincy.tse < Quincy @ifengpai.com > Sent: Wednesday, January 30, 2019 6:05 AM

**To:** Mark Hogan **Cc:** 'Louis Woo'

**Subject:** Reuter's Article Regarding Foxconn's Investment in Wisconsin

Morning Mark,

As agreed in our call on Monday morning, we would like to share with you the below reactive statement we have prepared in response to incoming media inquiries regarding an exclusive article published by Reuters about Foxconn's investment plans in Wisconsin a few hours ago.

Would you mind forwarding this email to Secretary Brennan and Secretary Barca, and cc-ing us as we do not have their email addresses?

Thanks and best regards,

#### Quincy

We remain committed to the Wisconn Valley Science and Technology Park project, the creation of 13,000 jobs, and to our long-term investment in Wisconsin. As we have previously noted, the global market environment that existed when the project was first announced has changed. As our plans are driven by those of our customers, this has necessitated the adjustment of plans for all projects, including Wisconsin. While the project's focus will be adjusted to meet these new realities, the Wisconsin project remains a priority for our company.

Foxconn continues to actively consider opportunities for TFT technologies in terms of maximizing the positive impact of our Wisconsin project. We are broadening the base of our investment within the State of Wisconsin far beyond what we initially planned to ensure the company and our workforce will be positioned for long-term success.

In addition to our consideration of plans to produce traditional products such as television sets, we are also examining ways for Wisconsin's knowledge workers to promote research and development in

advanced industrial internet technologies and produce high-tech applications and solutions for industries such as education, medical and healthcare, entertainment and sports, security, and smart cities.

We look forward to continued investment in American talent as we build the AI 8K + 5G ecosystem we are creating in Wisconsin and the US. Further updates will be shared in due course.

Best regards,

Quincy

From: Jela Trask Kelly Lietz To:

Subject: RE: Inquiry from WISN/UpFront

Date: Wednesday, January 30, 2019 10:55:54 AM

Attachments: image006.png

image007.png image008.png image009.png image010.png image018.png image019.png image020.png image021.png image022.png image023.png image024.png image025.png image026.png image027.png

Yup – I clarified that to Tricia in my email to both of you that you should receive these inquiries.

I'll send you the one I sent to Mark. But it's from a consultant and he indicated he would respond to him but just in case it comes through another way. This is the Display consultant that has been quoted in FC articles in the past.

p.s. please give Maddie a headsup as well in case she gets anything.

Jela Trask Key Business Liaison **Business & Investment Attraction Director** Wisconsin Economic Development Corporation 201 W. Washington Ave Madison, WI 53703

Ph: 608.210.6759









Website: http://inwisconsin.com

Newsletters: http://inwisconsin.com/subscribe/



From: Kelly Lietz

Sent: Wednesday, January 30, 2019 10:52 AM

To: Jela Trask < jela.trask@wedc.org> **Subject:** FW: Inquiry from WISN/UpFront

Send me any media inquiries you've received.

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858









Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Mark Hogan

Sent: Wednesday, January 30, 2019 10:50 AM **To:** Kathie Colbert < <u>kathie.colbert@wedc.org</u>>

Cc: Kelly Lietz < kelly.lietz@wedc.org> Subject: RE: Inquiry from WISN/UpFront

Kathie – Please forward all of the email media requests for comment on the Reuters article to Kelly Lietz (including the email from Danielle at the Washington Post who I spoke to, then she provided her email address). Kelly and I will then coordinate the response.

Also, please let Susan Macdonald know that I/we would not be available this week for an appearance on Upfront, but would consider it next week. Thanks. - Mark

**From:** Kathie Colbert

Sent: Wednesday, January 30, 2019 10:30 AM **To:** Mark Hogan <<u>mark.hogan@wedc.org</u>> Subject: FW: Inquiry from WISN/UpFront

#### Another...

From: Macdonald, Susan < smacdonald@hearst.com>

**Sent:** Wednesday, January 30, 2019 10:00 AM **To:** Mark Maley <<u>mark.maley@wedc.org</u>> **Subject:** Inquiry from WISN/UpFront

Hi Mark,

So I know Sec. Hogan is recovering and I hope that is going well for him. But the Foxconn story today is pretty significant. is there someone else from WEDC who can come on the program to talk about where this stands in Wisconsin, and where we think it's going? Tricia did well last time. Is she available? Thanks!

Best,

Susan MacDonald Executive Producer, "UpFront with Mike Gousha" WISN-TV 759 N. 19th Street. Milwaukee, WI 53233 (cell) Jela Trask

Jela Trask
Kelly Lietz
FW: FW: Foxconn now says no factory
Wednesday, January 30, 2019 10:56:10 AM
image013.nng
image015.nng
image015.nng
image017.png
image017.png
image017.png

Jela Trask Key Business Liaison Business & Investment Attraction Director Wisconsin Economic Development Corporation 201 W. Washington Ave Madison, WI 53703

Ph: 608.210.6759







Website: http://inwisconsin.com

Newsletters: http://inwisconsin.com/subscribe/



From: Bob O'Brien Bob @displaysupplychain.com

Sent: Wednesday, January 30, 2019 9:50 AM To: Jela Trask < jela.trask@wedc.org> Cc: Mark Hogan <mark.hogan@wedc.org> Subject: Re: FW: Foxconn now says no factory

Thanks, Jela.

Mark, I'm very interested to get WEDC's take on this.

Thanks,

Bob

On Wed, Jan 30, 2019 at 10:25 AM Jela Trask < jela.trask@wedc.org> wrote:

Good morning Bob - I've cc'd Mark Hogan on your inquiry. He will get back to you directly.

Thanks!

Jela Trask Key Business Liaison Business & Investment Attraction Director Wisconsin Economic Development Corporation 201 W. Washington Ave Madison, WI 53703

Ph: 608.210.6759





Website: http://inwisconsin.com Newsletters: http://inwisconsin.com/subscribe/



From: Bob O'Brien Bob @displaysupplychain.com>

Sent: Wednesday, January 30, 2019 7:22 AM To: Jela Trask < jela.trask@wedc.org> Subject: Fwd: Foxconn now says no factory

Hello Jela,

I just saw this out on Reuters today. Can I get a comment from WEDC on this? It seems pretty negative.

Let me know if you'd like to talk.

Thanks,

Bob

----- Forwarded message -----

From: Ross Young Ross @displaysupplychain.com>

Date: Wed, Jan 30, 2019 at 8:16 AM Subject: Foxconn now says no factory

To: Bob O'Brien Bob @displaysupplychain.com>

#### RPT-EXCLUSIVE-Foxconn reconsidering plans to make LCD panels at Wisconsin plant

13 minutes agopublished 13 minutes ago

Reuters

Hon Hai Precision Industry Co Ltd

(Repeats with no change to text)

Jan 30 (Reuters) - Foxconn Technology Group is reconsidering plans to make advanced liquid crystal display panels at a \$10 billionWisconsin campus, and said it intends to hire mostly engineers and researchers rather than the manufacturing workforce the project originally promised.

Announced at a White House ceremony in 2017, the 20-million square foot campus marked the largest greenfield investment by a foreign-based company in U.S. history and was praised by President Donald Trump as proof of his ability to revive American manufacturing.

Foxconn, which received controversial state and local incentives for the project, initially planned to manufacture advanced large screen displays for TVs and other consumer and professional products at the facility, which is under construction. It later said it would build smaller LCD screens instead.

Now, those plans may be scaled back or even shelved, Louis Woo, special assistant to Foxconn Chief Executive Terry Gou, told Reuters. He said the company was still evaluating options for Wisconsin, but cited the steep cost of making advanced TV screens in the United States, where labor expenses are comparatively high. "In terms of TV, we have no place in the U.S.," he said in an interview. "We can't compete."

When it comes to manufacturing advanced screens for TVs, he added: If a certain size of display has more supply, whether from China or Japan or Taiwan, we have to change, too.

Rather than a focus on LCD manufacturing, Foxconn wants to create a "technology hub" in Wisconsin that would largely consist of research facilities along with packaging and assembly operations, Woo said. It would also produce specialized tech products for industrial, healthcare, and professional applications, he added.

In Wisconsin were not building a factory. You cant use a factory to view our Wisconsin investment, Woo said.

Earlier this month, Foxconn, a major supplier to Apple Inc., reiterated its intention to create 13,000 jobs in Wisconsin, but said it had slowed its pace of hiring. The company initially said it expected to employ about 5,200 people by the end of 2020; a company source said that figure now looks likely to be closer to 1,000 workers.

It is unclear when the full 13 000 workers will be hired.

But Woo, in the interview, said about three-quarters of Foxconn's eventual jobs will be in R&D and design - what he described as "knowledge" positions - rather than blue-collar manufacturing jobs. Foxconn is formally known as Hon Hai Precision Industry Co.

Rather than manufacturing LCD panels in the United States, Woo said it would be more profitable to make them in greater China and Japan, ship them to Mexico for final assembly, and import the finished product to the United States.

He said that would represent a supply chain that fits with Foxconn's current "fluid, good business model."

Heavily criticized in some quarters, the Foxconn project was championed by former Wisconsin Governor Scott Walker, a Republican who helped secure around \$4 billion in tax breaks and other incentives before leaving office. Critics of the deal, including a number of Democrats, called it a corporate giveaway that would never result in the promised manufacturing jobs and posed serious environmental risks.

The companys own growth projections and employment goals suggest the taxpayer investment would take at least 25 years to recoup, according to budget think tank the Wisconsin Budget Project.

Foxconn CEO Gou plans to meet with Wisconsin's new Democratic governor, Tony Evers, a past critic of the deal, later this year to discuss modifications of the agreement, according to the source familiar with the company's thinking.

Evers could not be reached for comment.

Currently, to qualify for the tax credits Foxconn must meet certain hiring and capital investment goals. It fell short of the employment goal in 2018 - hiring 178 full-time jobs rather than the 260 targeted - failing to earn a tax credit of up to \$9.5 million.

The company may be prepared to walk away from future incentives if it is unable to meet Wisconsin's job creation and capital investment requirements, according to the source familiar with the matter. (Reporting by Jess Macy Yu in Taipei and Karl Plume in Wisconsin; Editing by Jonathan Weber and Paul Thomasch) REUTERS



Bob O'Brien | Co-Founder and President
Cell:
Ann Arbor, MI
Bob

ı

From: Mark Hogan

To: <u>Kathie Colbert; Kelly Lietz</u>
Subject: RE: Interview Request

**Date:** Wednesday, January 30, 2019 11:05:38 AM

Attachments: <u>image001.png</u>

On this one, please let them know we will provide a prepared response later this morning. Thanks.

From: Kathie Colbert

Sent: Wednesday, January 30, 2019 11:04 AM

To: Mark Hogan <mark.hogan@wedc.org>; Kelly Lietz <kelly.lietz@wedc.org>

**Subject:** FW: Interview Request

From Mark M's inbox

Kathie

From: Michael Spaulding < mspaulding@goodkarmabrands.com >

**Sent:** Wednesday, January 30, 2019 11:03 AM **To:** Mark Maley <mark.maley@wedc.org>

**Subject:** Interview Request

Good morning Mark-

I was wondering if the WEDC was going to make anybody available for interviews this afternoon in light of the Foxconn news as reported by Rueters.

We have reporters at the station all afternoon, I'l be here until about noon or so, as well. This would be over the phone and pre-taped.

If there is no opportunity for an interview I would ask for a written statement if you guys are providing one.

I appreciate your time.

Michael Spaulding | Managing Editor - WTMJ Radio

office: 414.967.5310 | cell:

720 E. Capitol Drive

 From:
 Kelly Lietz

 To:
 Mark Hogan

 Subject:
 RE: quote

**Date:** Wednesday, January 30, 2019 11:58:00 AM

Attachments: DRAFT - WEDC Response to 013019 Reuters Story.docx

image002.png image003.png image004.png image005.png image006.png image014.png image015.png image016.png image017.png

My suggested edit attached.

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Mark Hogan

Sent: Wednesday, January 30, 2019 11:44 AM

To: Kelly Lietz <kelly.lietz@wedc.org>

Subject: quote

Call me

 From:
 Kelly Lietz

 To:
 Mark Hogan

 Subject:
 RE: misc

**Date:** Wednesday, January 30, 2019 12:19:00 PM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image005.png image007.png image008.png image010.png image011.png

I suspect I will get follow-up requests for interviews. What's your position on that? Should I share these with you as they come in?

Kelly

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Mark Hogan

Sent: Wednesday, January 30, 2019 12:16 PM

To: Kelly Lietz <kelly.lietz@wedc.org>

Subject: RE: misc

yes

From: Kelly Lietz

**Sent:** Wednesday, January 30, 2019 12:15 PM **To:** Mark Hogan < <u>mark.hogan@wedc.org</u>>

**Subject:** RE: misc

Is that final approval?

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Mark Hogan

Sent: Wednesday, January 30, 2019 12:14 PM

To: Baldauff, Melissa - GOV < melissa.baldauff@wisconsin.gov >; Brennan, Joel - DOA

<joel.brennan@wisconsin.gov>

Cc: Kelly Lietz < kelly.lietz@wedc.org>

Subject: RE: misc

Thank you.

From: Baldauff, Melissa - GOV < melissa.baldauff@wisconsin.gov >

Sent: Wednesday, January 30, 2019 12:13 PM

**To:** Mark Hogan <<u>mark.hogan@wedc.org</u>>; Brennan, Joel - DOA <<u>ioel.brennan@wisconsin.gov</u>>

**Cc:** Kelly Lietz < kelly.lietz@wedc.org>

Subject: Re: misc

#### Good by me, thank you.

From: Mark Hogan < mark.hogan@wedc.org>
Sent: Wednesday, January 30, 2019 12:06:55 PM
To: Baldauff, Melissa - GOV; Brennan, Joel - DOA

Cc: Lietz, Kelly - WEDC

Subject: misc

Hi Melissa – Please review and respond. Thanks. - Mark

Mark R. Hogan Secretary & CEO Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703 (w) 608-210-6756

Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Twitter: <a href="http://twitter.com/InWisconsin">http://twitter.com/InWisconsin</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Kelly Lietz
To: Jela Trask

**Subject:** Approved Statement

**Date:** Wednesday, January 30, 2019 12:20:41 PM

Attachments: APPROVED - WEDC Response to 013019 Reuters Story.docx

image001.png image002.png image003.png image004.png image005.png image006.png image007.png image009.png image009.png image010.png

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



# APPROVED RESPONSE TO REUTERS JANUARY 30, 2019, STORY ON FOXCONN'S WISCONSIN INVESTMENT

### Statement from Wisconsin Economic Development Corporation Secretary & CEO Mark R. Hogan:

"Over the past 45 years, Foxconn's success has been based on the company's ability to foresee and adapt to technological advancements. Foxconn's long-term success both globally and within Wisconsin is centered around the alignment of its business model with ever-changing global economic conditions, including evolving customer demands.

WEDC's performance-based contract with Foxconn provides the company the flexibility to make these business decisions, and at the same time, protects Wisconsin's taxpayers. As has been reported, Foxconn will not qualify for tax credits until, at the earliest, 2020, and then only if the company meets its annual job creation and capital investment requirements. Our ongoing discussions with company officials reflect Foxconn's continued commitment to the State of Wisconsin."

From: Mark Hogan
To: Kelly Lietz

Subject: FW: Press Release: Secretary-designee Joel Brennan Responds to Foxconn Statement

**Date:** Wednesday, January 30, 2019 12:21:16 PM

I think it would be best to stand on the statement rather than conduct a series of interviews. At some point, an exclusive might make sense, but not today.

From: Kathie Colbert

**Sent:** Wednesday, January 30, 2019 12:18 PM **To:** Mark Hogan <mark.hogan@wedc.org>

Subject: FW: Press Release: Secretary-designee Joel Brennan Responds to Foxconn Statement

In case you didn't see this.

Kathie

From: Gov Evers Press < GovPress@evers.wi.gov>
Sent: Wednesday, January 30, 2019 12:11 PM
To: Mark Maley < mark.maley@wedc.org>

Subject: Press Release: Secretary-designee Joel Brennan Responds to Foxconn Statement



FOR IMMEDIATE RELEASE: January 30, 2019

Contact: GovPress@wisconsin.gov or 608-219-7443

# Secretary-designee Joel Brennan Responds to Foxconn Statement

MADISON -- Following is a statement from Wisconsin Department of Administration Secretary-designee Joel Brennan in response to recent developments in the Foxconn project:

"The administration is in regular, weekly communication with senior leadership at Foxconn, however, we were surprised to learn about this development.

"While some of the information reported today has been previously reported publicly, other details about the continuing evolution of this project will require further review and evaluation by our team. Our team has been in contact with Foxconn since learning this news and will continue to monitor the project to ensure the company delivers on its promises to the people of Wisconsin.

"The governor has always said that protecting Wisconsin taxpayers, the local communities that have already made significant investments in this project, and our environment are his chief concerns.

"In the coming weeks, the Evers Administration will continue to commit time, resources, and personnel to ensure that the interests of Wisconsin workers and taxpayers are protected and promoted by our approach to the Foxconn project."

Office of the Governor ♦ 115 East Capitol, Madison, WI 53702

Press Office: (608) 219-7443 ♦ Email: GovPress@wisconsin.gov

https://evers.wi.gov ♦ Unsubscribe

This email was sent to <a href="mark.maley@wedc.org">mark.maley@wedc.org</a> using GovDelivery Communications Cloud on behalf of the State of Wisconsin · 115 East, State Capitol · Madison, WI 53702

From: Mark Hogan
To: Kelly Lietz

Subject: Re: Cost of Foxconn

**Date:** Wednesday, January 30, 2019 12:58:04 PM

Attachments: <u>image006.png</u>

image007.png image008.png image009.png image010.png image011.png image018.png image019.png image020.png image021.png

Get the questions, then give me a call. But if we are going to open that door, I would rather be more extensive with someone local. So our response to her may not change.

Get Outlook for iOS

From: Kelly Lietz <kelly.lietz@wedc.org>

Sent: Wednesday, January 30, 2019 12:50 PM

To: Mark Hogan

Subject: FW: Re: Cost of Foxconn

I could take down her questions and email responses after coordinating with you....

\*\*\*

See below. She's asking for some background, but I don't think I am the right person to provide it. What do you suggest?

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



**From:** Paquette, Danielle <Danielle.Paquette@washpost.com>

Sent: Wednesday, January 30, 2019 12:43 PM

**To:** Kelly Lietz <kelly.lietz@wedc.org> **Subject:** RE: Re: Cost of Foxconn

Thanks, Kelly. Could we hop on the phone for a background chat on the nuts and bolts?

From: Kelly Lietz [mailto:kelly.lietz@wedc.org]
Sent: Wednesday, January 30, 2019 1:28 PM

To: Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

Subject: RE: Re: Cost of Foxconn

#### Statement from Wisconsin Economic Development Corporation Secretary & CEO Mark R. Hogan:

"Over the past 45 years, Foxconn's success has been based on the company's ability to foresee and adapt to technological advancements. Foxconn's long-term success both globally and within Wisconsin is centered around the alignment of its business model with ever-changing global economic conditions, including evolving customer demands.

WEDC's performance-based contract with Foxconn provides the company the flexibility to make these business decisions, and at the same time, protects Wisconsin's taxpayers. As has been reported, Foxconn will not qualify for tax credits until, at the earliest, 2020, and then only if the company meets its annual job creation and capital investment requirements. Our ongoing discussions with company officials reflect Foxconn's continued commitment to the State of Wisconsin."

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a> [inwisconsin.com]

Newsletters: <a href="http://inwisconsin.com/subscribe/[inwisconsin.com">http://inwisconsin.com/subscribe/[inwisconsin.com</a>]



From: Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

**Sent:** Wednesday, January 30, 2019 8:35 AM **To:** Mark Maley <mark.maley@wedc.org>

Subject: Re: Cost of Foxconn

Hi Mark,

Hope you're well. Are you hearing that Foxconn is no longer building in Wisconsin?

And if so, why not? Please let me know! From: Kelly Lietz
To: Mark Hogan

Subject: FW: Re: Cost of Foxconn

Date: Wednesday, January 30, 2019 1:05:00 PM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image005.png image006.png image007.png image009.png image010.png image017.png image019.png image019.png image025.png image026.png

See below.

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Paquette, Danielle < Danielle.Paquette@washpost.com>

Sent: Wednesday, January 30, 2019 1:03 PM

**To:** Kelly Lietz <kelly.lietz@wedc.org> **Subject:** RE: Re: Cost of Foxconn

Thanks, Kelly. Could you please tell me how many jobs Foxconn created in Wisconsin in 2018 and where? Also: What would Foxconn have to do in order to qualify for state incentives this year? (And how much could the 2019 incentives be?)

From: Kelly Lietz [mailto:kelly.lietz@wedc.org]
Sent: Wednesday, January 30, 2019 2:02 PM

**To:** Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

Subject: RE: Re: Cost of Foxconn

Danielle,

I'm pitch-hitting for Mark Maley (health issues) on this, so I'm not sure I will be able to provide all of the information you are seeking. I would be happy to chat with you, but it is likely that I would have to take down your questions and get back to you with responses. Alternatively, you can email me your follow-up questions and I'll see what I can do.

Kelly

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858

From: Mark Hogan
To: Kelly Lietz
Subject: Fwd: FC Contract

 Date:
 Wednesday, January 30, 2019 1:20:38 PM

 Attachments:
 23932-FY18-Contract Executed-EITMZ-Foxconn.pdf

# Get Outlook for iOS

From: Kathie Colbert

**Sent:** Wednesday, January 30, 2019 1:06:07 PM

To: Mark Hogan

Subject: FC Contract

# ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE TAX CREDIT AGREEMENT

#### **BETWEEN**

## THE WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

#### AND

## SIO INTERNATIONAL WISCONSIN, INC., FEWI DEVELOPMENT CORPORATION, AND AFE, INC.

This Electronics and Information Technology Manufacturing Zone Tax Credit Agreement (the "Agreement") is entered into as of *November 10, 201*7 pursuant to Chapter 238 of the Wisconsin Statutes between the Wisconsin Economic Development Corporation ("WEDC"), a public body corporate and politic authorized to certify businesses for tax credits pursuant to Section 238.396 of the Wisconsin Statutes, and SIO International Wisconsin, Inc., a Wisconsin corporation, FEWI Development Corporation, a Wisconsin corporation, and AFE, Inc., a Wisconsin corporation (collectively, the "Recipients", and each is a "Recipient").

#### WITNESSETH

WHEREAS, Hon Hai Precision Industry Co., Ltd. (Chinese name 鴻海精密工業股份有限公司) is a corporation organized and validly existing under the laws of the Republic of China whose shares are publicly traded on the Taiwan Stock Exchange ("Hon Hai");

WHEREAS, Hon Hai issued a request for proposals for the siting of the Project in the United States;

WHEREAS, WEDC provided a letter of support on June 26, 2017, providing a description of incentives that WEDC could provide to incentivize the Project siting in Wisconsin;

WHEREAS, the State of Wisconsin and WEDC entered into a memorandum of understanding with Hon Hai and the Foxconn Flying Eagle Project under which the State of Wisconsin and WEDC agreed to pursue legislation to provide incentives in the amount of up to Three Billion Dollars (\$3,000,000,000) in an economic incentive package in exchange for Hon Hai siting the Project in Wisconsin, making a capital investment of up to Ten Billion Dollars (\$10,000,000,000), and creating up to thirteen thousand (13,000) Full-Time Jobs with an average salary of approximately Fifty-Three Thousand Eight Hundred and Seventy-Five Dollars (\$53,875);

WHEREAS, Hon Hai and Recipients have expressed a strong commitment to the State of Wisconsin to providing Wisconsin residents with significant job opportunities;

WHEREAS, the Wisconsin Legislature passed and the Governor signed into law 2017 Wisconsin Act 58, creating an Electronics and Information Technology Manufacturing Zone and additionally providing a sales tax exemption for property or services acquired solely for or used

solely in, the construction or development of facilities located in an Electronics and Information Technology Manufacturing Zone, as further described in Wis. Stat § 77.54(65);

WHEREAS, the Recipients submitted an Application to WEDC, requesting Tax Credits;

WHEREAS, Hon Hai, directly or indirectly through Affiliates, Controls the Voting Interests in AFE Inc.;

WHEREAS, SIO International Holdings Limited ("SIO International") is a company organized and validly existing under the laws of the Cayman Islands;

WHEREAS, SIO International, directly or indirectly through Affiliates, Controls the Voting Interests in SIO International Wisconsin Inc. and FEWI Development Corporation;

WHEREAS, Mr. Gou, Taiming (Chinese name: 郭台銘 and who is also known as Terry Gou), who is the Chairman and CEO of Hon Hai, owns with a 9.36% of the equity share in Hon Hai and indirectly owns an 89% of the indirect holding equity in SIO International, has solidified his commitment to this Project in the form of a personal guaranty;

WHEREAS, the Recipients plan to employ a significant number of employees in Wisconsin to support their activities related to the Project. However, there are a variety of factors that impact employment and average wages of Full-Time Employees, including but not limited to labor supply challenges, market conditions, and other conditions affecting operations and sales. The parties recognize that the "pay as you go" nature of the Job Creation Tax Credits guarantees that tax credits are only paid after Recipient jobs are created and is a tangible incentive for the Recipients to meet their operational plans related to their advance manufacturing process and related supply chain to be brought to Wisconsin;

WHEREAS, WEDC determined that each Recipient is an eligible recipient of Electronics and Information Technology Manufacturing Zone Tax Credits, eligible to be certified pursuant to Wis. Stat § 238.396(3); and

WHEREAS, in reliance on the materials and information provided by each Recipient, WEDC has determined that the Recipients are eligible for up to Two Billion Eight Hundred and Fifty Million Dollars (\$2,850,000,000) in Tax Credits.

**NOW, THEREFORE**, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in consideration for the foregoing and the representations, warranties, covenants, agreements and conditions set forth in this Agreement, WEDC and Recipients agree as follows:

- 1. **Definitions.** For purposes of this Agreement, the following terms shall have the following meanings:
- (a) "Affiliate" means, with respect to any person, any other person that, directly or indirectly, controls, is controlled by or is under common control with such person, and the term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies

of such person, whether through ownership of voting rights, by contract or otherwise (it being understood that a person shall be deemed to control another person if such first person owns more than 50% of the capital stock or other equity securities of such other person).

- (b) "Agreement" means this agreement, to include the attached Exhibits, together with any future amendments executed in compliance with this Agreement.
- (c) "Application" means the materials submitted by the Recipients to WEDC relating to the allocation of Electronics and Information Technology Manufacturing Zone Tax Credits.
- (d) "Capital Investment Tax Credits" means the tax credits the Recipients are certified as eligible to earn under Wis. Stat. § 71.28(3wm)(bm).
- (e) "Certification Date" means January 1, 2018, the date on which eligibility to earn Tax Credits begins. No activities occurring prior to the Certification Date will be considered in allocating Tax Credits.
- (f) "Claimant" means a person who is certified to claim tax benefits under Wis. Stat. § 238.396(3) and who files a claim under Wis. Stat. § 71.28(3wm). Upon mutual agreement between the Recipients and WEDC, additional Affiliates of Hon Hai or SIO may be certified as Claimants in an amendment to the Agreement signed by WEDC and approved by WEDC's Awards Administration Committee and Board of Directors. Claimants certified for the first time in an amendment will not qualify for Jobs Creation Tax Credits or Capital Investment Tax Credits for expenditures prior to the date of the amendment.
- (g) "Controls the Voting Interests" in a person means the ownership of more than 50% of the capital stock or other equity securities of such person in electing the board of directors which holds the possession of the power to direct and cause the direction of the management and policies of such person.
- (h) "Effective Date" means the date when this Agreement becomes effective, which shall be the date when this Agreement and the Guaranty referenced in this Agreement have been fully executed by all relevant parties.
- (i) "Electronics and Information Technology Manufacturing Zone Tax Credits" and "Tax Credits" mean the tax credits Recipients are certified as eligible to receive under Wis. Stat. § 238.396(3).
- (j) "Full-Time Employee" means an individual who is employed in a job for which the annual pay is at least \$30,000 and who is offered retirement, health, and other benefits that are equivalent to the retirement, health, and other benefits offered to an individual who is required to work at least 2,080 hours per year.
- (k) "Full-Time Job" means an employee position in the Zone or outside the Zone, but within the State of Wisconsin, and for the benefit of the Recipient's operations within the Zone, filled by a Full-Time Employee whose entire Wages are treated as paid in Wisconsin under Wis. Stat. § 71.25(8)(b).

- (l) "Guarantor(s)" means, collectively, SIO International, Terry Gou and Hon Hai, and each is referred to as a Guarantor.
- (m) "Job Creation Tax Credits" means the tax credits the Recipients are certified as eligible to earn pursuant to Wis. Stat. § 71.28(3wm)(b).
- (n) "Partial-Year Employee" mean an employee who only worked part of the year due to his/her hiring or termination dates, and who would have been treated as a Full-Time Employee holding Full-Time Job if he/she had worked the full year.
- (o) The "Project" means the economic investment activities of locating the Recipients' and Guarantors' Generation 10.5 TFT-LCD Fabrication Facility and supporting operations in the Electronics and Information Technology Manufacturing Zone, the capital investment of up to Ten Billion Dollars (\$10,000,000,000) and the creation of up to 13,000 new Full-Time Jobs, as outlined in the Recipients' Application, for which WEDC is certifying Recipients as eligible for receiving Tax Credits.
- (p) "Recipient" has the meaning set forth in the preamble of this Agreement. Each Recipient shall be the Claimant for purposes of Wis. Stat. § 71.28(3wm)(a)1.
- (q) "Secured Obligations" has the meaning assigned to such term in Section 11 of this Agreement.
- (r) "Significant Capital Expenditure" means an investment in (i) machinery and equipment to be installed and used in the Zone (including "finance leases" and "operating leases" (to the extent and in the amount that such operating leases give rise to a "right-of-use asset" on the balance sheet of a Recipient upon lease commencement, but not including "short term" operating leases of such machinery and equipment, and not including consigned machinery and equipment), and (ii) in land and buildings located in the Zone that are needed to achieve the specific purpose of completing the Project; and provided that WEDC reserves the right to review leases between the Recipients and their Affiliates to confirm that such leases reflect fair market value prior to certifying Capital Investment Tax Credits. Notwithstanding any other provision of this Agreement, investments in residential or commercial, non-industrial property or construction of such property will not be considered to be eligible Significant Capital Expenditures for purposes of this Project and this Agreement. The terms "finance lease", "operating lease", "right-of-use asset" have the meanings assigned to them under GAAP ASC 842.
- (s) "State Payroll" means the amount of payroll apportioned to the State of Wisconsin, as determined under Wis. Stat. § 71.25(8).
- (t) "Wages" means wages under section 3306(b) of the Internal Revenue Code, determined without regard to any dollar limitation.
  - (u) "WEDC" means the Wisconsin Economic Development Corporation.
- (v) "Zone" means the Recipient's business facilities in Racine County, Wisconsin, within the boundaries of the legal description set forth in <u>Exhibit D</u>, and all highways, easements, rights-of-way, or other lands designated by the Corporation as required to install infrastructure for the

Recipient's manufacturing facility, all of which, taken together, shall be an Electronics and Information Technology Manufacturing Zone designated pursuant to Wis. Stat. § 238.396(1m), and governed by Wisconsin Statutes.

- (w) "Zone Payroll" means the amount of State Payroll that is attributable to Wages paid by the Recipient to Full-Time Employees for services that are performed in the Zone or that are performed outside the Zone, but within the State of Wisconsin, and for the benefit of the Recipients' operations within the Zone, as reasonably determined by WEDC. For purposes of calculating Zone Payroll, if a Full-Time Employee's Wages are in excess of \$100K, then the Full-Time Employee's Wages will be treated as \$100K.
- 2. **Duration of Agreement.** Subject to the limitations provided in the terms of this Agreement, and in Wisconsin Law, the allocation of Electronics and Information Technology Manufacturing Zone Tax Credits under Wis. Stat § 238.396 shall be effective for, and can be earned over a period of, up to fifteen (15) years, or one hundred and eighty (180) consecutive months, commencing at 12:00 a.m. CST on the Certification Date and expiring at 11:59 p.m. CST on December 31, 2032.
- 3. Certification of Recipient for Tax Benefits. Subject to the terms and conditions set forth in this Agreement, and in accordance with Wisconsin Statute Chapters 238 and 71, WEDC hereby certifies the Recipients as eligible for up to Two Billion Eight Hundred and Fifty Million Dollars (\$2,850,000,000) in Electronics and Information Technology Manufacturing Zone Tax Credits for the Recipient's Fiscal Years ending 2018 through 2032, consisting of Job Creation Tax Credits in a maximum amount of One Billion Five Hundred Million Dollars (\$1,500,000,000) and Capital Investment Tax Credits in the maximum amount of One Billion Three Hundred and Fifty Million Dollars (\$1,350,000,000) eligible to be earned in accordance with the terms and conditions of this Agreement and the disbursement schedules attached to this Agreement as Exhibits A and B.

# 4. Recipients' Intentions and Obligations. The Recipients will:

- (a) Carry out the Project in good faith and substantially in accordance with the Recipients' Application and the terms and conditions of this Agreement, and comply with all laws, statutes, rules, regulations, judgments, and orders that are applicable to their business.
- (b) Employ, to the best of Recipient's ability and consistent with their business goal to diligently carry out the Project as set forth in the Application, Full-Time Employees in the Zone, or outside of the Zone, but within the State of Wisconsin, for the benefit of the Recipients' operations within the Zone, at an average annual wage of Fifty-Three Thousand, Eight Hundred and Seventy-Five Dollars (\$53,875).
- (c) Maintain the number of Full-Time Jobs hired in the Zone, or outside of the Zone, but within the State of Wisconsin, for the benefit of the Recipients' operations within the Zone, over a period of at least one hundred and eighty (180) consecutive months commencing on the Certification Date

and through December 31, 2032. The maintenance obligation for each Period is set forth in <u>Exhibit</u> C, Column B.

- (d) Make to the best of Recipients' ability and consistent with their business goal to diligently carry out the Project as set forth in the Application, Significant Capital Expenditures in the Zone of up to Ten Billion Dollars (\$10,000,000,000).
- (e) Maintain the Significant Capital Expenditures made in the Zone, for which the Recipients have been verified to receive Capital Investment Tax Credits, titled in the name of a Recipient, and sited in the Zone, over a period of at least one hundred and eighty (180) consecutive months commencing on the Certification Date and through December 31, 2032.
- (f) Ensure that the Recipients' obligations under this Agreement shall be further guaranteed by the Guarantors in accordance with Section 11 below, pursuant to guaranties of the Secured Obligations executed by the Guarantors concurrently with the execution of this Agreement in favor of WEDC (if more than one, collectively the "Guaranty"). WEDC will not verify any Tax Credits until it is satisfied that the Guaranty provided by each of Hon Hai and SIO International has been properly authorized and approved by the applicable Board of Directors, Audit Committee and other applicable bodies.
- (g) Promptly notify WEDC if a Recipient learns of the occurrence of (i) any event that constitutes an Event of Default or that would constitute an Event of Default with the giving of notice or passage of time, together with a detailed statement of the steps being taken to cure the effect of such Event of Default; (ii) any legal, judicial or regulatory claims or proceedings affecting the Recipient; (iii) a Recipient receiving notice of any legal, governmental or regulatory action involving the Recipient, or officers or assets of any of the foregoing, which, if adversely determined, might materially interfere with the normal business operations of the Recipient or the Project; or (iv) any other event or condition which could reasonably be expected to materially interfere with the normal business operations of a Guarantor, Recipient, or the Project.
- 5. Eligibility for Tax Credits. The actual amount of Tax Credits that the Recipient will be able to earn is dependent on the Recipient's actual employment levels; Zone Payroll for Full-Time Employees employed by the Recipient; and actual eligible Significant Capital Expenditures incurred by the Recipient. The Recipients are eligible to earn Tax Credits beginning on the Certification Date and ending on December 31, 2032 in accordance with the terms and conditions of this Agreement and the disbursement schedules attached to this Agreement as Exhibits A and B. The Tax Credits will be verified by WEDC in the year after the Tax Credits are earned. The timing of the verification does not impact Recipient's ability to claim Tax Credits which have been earned during the period beginning on the Certification Date and ending on December 31, 2032.

#### 6. Calculation of Tax Credits

(a) **Calculation of Job Creation Tax Credits.** The Recipients are eligible to earn up to One Billion Five Hundred Million Dollars (\$1,500,000,000) in Job Creation Tax Credits according to the disbursement schedule attached hereto as <u>Exhibit A</u>, subject to the following requirements and provisions of Wisconsin law:

- 1. In order to earn any Job Creation Tax Credits in a particular Period set forth in Exhibit A, Column A, the Recipients must meet the following requirements:
  - a. For each Period, employ at least the Minimum Cumulative Full-Time Jobs set forth in Exhibit A, Column B, which shall be determined based on the number of Full-Time Jobs held by Full-Time Employees employed by the Recipients as of the end of the Period.
  - b. For each Period, pay an average annual wage of at least \$53,875 to Full-Time Employees employed in Full-Time Jobs by the Recipients. The average annual wage will be calculated by dividing the sum of the annualized Wages of all Full-Time Employees employed by the Recipients in Full-Time Jobs as of the end of the Period (the portion of a Full-Time Employee's Wages that exceeds \$400,000 will not be included in the calculation to determine average annual wage) by the number of all Full-Time Employees employed in Full-Time Jobs as of the end of the Period.
  - c. In determining whether a Partial-Year Employee is employed by the Recipient as of the end of a Period under Section 6, (1) Partial-Year Employees who are employed in Full-Time Jobs as of the end of the Period will be counted, and (2) Partial-Year Employees who are not employed in Full-Time Jobs as of the end of the Period will not be counted.
- 2. After the Recipients submit all of the reporting and documentation required by Section 7 of this Agreement for a Period covered in Exhibit A, Column A, and provided that WEDC is satisfied that the requirements to earn Job Creation Tax Credits have been satisfied and no Recipient has breached the Agreement, and subject to the terms and conditions of this Agreement and applicable Wisconsin law, WEDC will calculate Job Creation Tax Credits pursuant to Wis. Stat. § 71.28(3wm)(b), as follows:
  - a. First, determine the Zone Payroll for the Period for Full-Time Employees employed by the Recipient (the "Zone Payroll Calculation"); and
  - b. Second, multiply the Zone Payroll Calculation by seventeen percent (17%).
  - c. For purposes of calculating the Job Creation Tax Credits, the actual Wages paid to all Partial-Year Employees will be included in the Zone Payroll Calculation.
- 3. Carryforward of Unearned Job Creation Tax Credits. Any unearned Job Creation Tax Credits in a particular Period (the difference between the annual Maximum Target Job Creation Credits in Exhibit A, Column D and the actual amount of Job Creation Tax Credits actually earned) (the "Carryforward Credit"), may be carried forward to be earned and verified in subsequent Periods, provided, however, that in order to access the Carryforward Credit to be verified in any given Period:
  - a. the Recipient must have exceeded the number of Full-Time Jobs in Exhibit A, Column C for that Period;

- b. the amount of Job Creation Tax Credits for the Period will be calculated pursuant to Sections 6(a)1. and 6(a)2. above; and
- c. Job Creation Tax Credits are subject to the following limits:
  - [i] Job Creation Tax Credits for that Period may not exceed the sum of the Maximum Job Credits set forth in Exhibit A, Column D and the Maximum Carryforward limit as established in Exhibit A, Column E:
  - [ii] The cumulative Job Creation Tax Credits verified through the Period cannot exceed the Cumulative Job Creation Credit limit identified in Exhibit A, Column F; and
  - [iii] The total Job Creation Tax Credits over the duration of the Zone may not exceed One Billion Five Hundred Million Dollars (\$1,500,000,000).
- (b) Calculation of Capital Investment Tax Credits. The Recipients are eligible to earn up to One Billion Three Hundred and Fifty Million Dollars (\$1,350,000,000) in Capital Investment Tax Credits according to the disbursement schedule attached hereto as Exhibit B, subject to the following requirements and provisions of Wisconsin law:
  - 1. After the Recipients submit all of the reporting and documentation required by Section 7 of this Agreement for a Period covered in Exhibit B, Column A, provided that WEDC is satisfied that the requirements to earn the Capital Investment Tax Credits have been satisfied and no Recipient has breached the Agreement, and subject to the terms and conditions of this Agreement and applicable Wisconsin law, WEDC will calculate Capital Investment Tax Credits pursuant to Wis. Stat. § 71.28(3wm)(bm), as fifteen percent (15%) of the cost of the Recipient's Significant Capital Expenditures in the Zone. Capital Investment Tax Credits may be accrued based on the Recipient's Significant Capital Expenditures beginning on the Certification Date, but may only be claimed to be verified by WEDC for a period of seven (7) years, beginning on January 1, 2019 and ending on December 31, 2025, according to the disbursement schedule set forth in Exhibit B.
  - 2. Actual Significant Capital Expenditures will accrue beginning on the Certification Date and the first Period for earning Capital Investment Tax Credits will look back to the Certification Date in calculating the Capital Investment Tax Credits. Actual Significant Capital Expenditures in any Period that result in potential Capital Investment Tax Credit claim amount above the amount provided in <a href="Exhibit B. Column C">Exhibit B. Column C</a> may be rolled forward to be claimed by the Recipient in subsequent Periods.
  - 3. In order to earn the maximum amount of Capital Investment Tax Credits in a particular Period, the Recipients must employ at least the number of Full-Time Jobs

provided in Exhibit B, Column B. In determining whether a Partial-Year Employee is employed by the Recipient as of the end of a Period under this Section 6(b), (1) Partial-Year Employees who are employed in Full-Time Jobs as of the end of the Period will be counted, and (2) Partial-Year Employees who are not employed in Full-Time Jobs as of the end of the Period will not be counted.

- 4. The maximum amount of Capital Investment Tax Credits eligible to be earned by the Recipients for the relevant Periods are set forth in <a href="Exhibit B">Exhibit B</a>, <a href="Column C">Column C</a>. In no event will the amount of Capital Investment Tax Credits earned by the Recipients in a Period exceed the amount outlined for the Period in <a href="Exhibit B">Exhibit B</a>, <a href="Column C">Column C</a>, as may be further modified pursuant to Sections 6(b)5. and 6(b)6. below.
- 5. In the event that the Recipients have not employed at least the minimum Full-Time Jobs provided in Exhibit B, Column B in a Period, the Maximum Capital Investment Tax Credits the Recipients are eligible to claim in the Period as outlined in Exhibit B, Column C will be decreased by the percentage amount equal to the difference between the number of actual Full-Time Jobs employed as a percentage of the respective number in Exhibit B, Column B. For purposes of illustration:
  - a. If, in the Period ending December 31, 2019, the Recipients employed four hundred and sixty-eight (468) Full-Time Jobs (90% of the number in <a href="Exhibit B">Exhibit B</a>, Column B</a>), the Maximum Capital Investment Tax Credits available for the Period as stated in <a href="Exhibit B">Exhibit B</a>, Column C will be decreased by ten percent (10%)(derived from subtracting 100% 90%) to total One Hundred and Seventy-Three Million Five Hundred and Seventy-One Thousand Four Hundred and Twenty-Nine Dollars (\$173,571,429)(derived by decreasing the total in <a href="Exhibit B">Exhibit B</a>, Column C by 10%).
  - b. If, in the Period ending December 31, 2022, the Recipients employed four thousand one hundred sixty (4,160) Full-Time Jobs (80% of the number in <a href="Exhibit B">Exhibit B</a>, Column B), the Maximum Capital Investment Tax Credits available for the Period as stated in <a href="Exhibit B">Exhibit B</a>, Column C will be decreased by twenty percent (20%)(derived from subtracting 100% -80%) to total One Hundred and Fifty-Four Million Two Hundred and Eighty-Five Thousand Seven Hundred and Fourteen Dollars (\$154,285,714)(derived by decreasing the total in <a href="Exhibit B">Exhibit B</a>, Column C by 20 %).
- 6. Carryforward of Unearned Capital Investment Tax Credits. Capital Investment Tax Credits may be carried over in future years. Capital Investment Tax Credits can only be carried forward in Periods in which the Recipient meets the Jobs Target set in <a href="Exhibit B">Exhibit B</a>, <a href="Column B">Column B</a>. If the Capital Investment Full-Time Jobs Target in <a href="Exhibit B">Exhibit B</a>, <a href="Column B">Column B</a> is not met in any Period, no carryforward would be allowed for that Period.

In the Periods that the Jobs Target is met, but the Recipient fails to earn the Maximum Capital Investment Tax Credits identified in <a href="Exhibit B">Exhibit B</a>, <a href="Column C">Column C</a>, any unearned Capital Investment Tax Credit in that particular Period (the difference between the annual Maximum Capital Investment Tax Credit in <a href="Exhibit B">Exhibit B</a>, <a href="Column C">Column C</a> and the actual amount of Capital Investment Tax Credit actually earned) (the "Cap

Ex Carryforward") may be carried forward to be earned and verified in subsequent Periods, provided, however, that in order to access the Cap Ex Carryforward to be verified in any given Period:

- a. The Recipient must have met the number of Full-Time Jobs in Exhibit B, Column B in the Period where the carryforward request to be paid is made; and
- b. Capital Investment Tax Credits are subject to the following limits:
  - [i] Capital Investment Tax Credits for that Period is limited as follows:
    - (A) To the Cap Ex Carryforward available; and
    - (B) Subject to the Period specific restrictions:
      - (1) For the first six Periods, Recipients may only claim the Capital Investment Tax Credits in the amount of \$96,400,000 in excess of the amount identified in Exhibit B, Column C;
      - (2) In the final Period, Recipients may claim any remaining Cap Ex Carryforward.
  - [ii] The total Capital Investment Tax Credits over the seven-year period may not exceed One Billion Three Hundred and Fifty Million Dollars (\$1,350,000,000).
- 7. Reporting and Verification to Claim Electronics and Information Technology The Recipients' eligibility for Electronics and Manufacturing Zone Tax Credits. Information Technology Manufacturing Zone Tax Credits will be reviewed by WEDC after the Recipients' submission of the Annual Project Report and Third Party Verification Report prior to WEDC issuing a verification authorizing each Recipient to file a claim for Tax Credits with the Wisconsin Department of Revenue. WEDC will issue a verification to each of the Claimants in proportion to their respective employment, Zone Payroll, and Significant Capital Expenditures. Any finding that specific capital expenditures or payroll information reported to WEDC are ineligible for Tax Credits per the terms of this Agreement or Wisconsin law at any time will result in such capital expenditures and payroll being excluded from the calculation of Capital Investment Tax Credits and Jobs Creation Tax Credits, respectively. Upon receipt of the verification from WEDC, Recipients shall have 14 business days to object to the calculation of Tax Credits. The parties agree to attempt in good faith to resolve any disagreement within 30 days of the objection. To the extent that such error relates to Tax Credits that have already been issued, WEDC reserves the right to adjust subsequent Tax Credits or demand repayment.

- (a) **Record**. Each Recipient shall prepare, keep and maintain such records as may be reasonably required by WEDC to establish:
  - 1. Information relating to Full-Time Employees and Partial-Year Employees hired and maintained by the Recipient in the Zone and outside of the Zone, but within the State of Wisconsin, and for the benefit of the Recipient's operations within the Zone, which, with respect to each Full-Time and Partial-Year Employee, shall include, but not be limited to:
    - a. The name or unique identifier associated with the employee, whether the position of the employee is a Full-Time Job, base hours worked, overtime hours worked, hourly rate, period total base wages, period overtime, bonus, commission wages, employment start date, termination date, part-time/full-time designation, residency and work site.
  - 2. the Zone Payroll amount; and
  - 3. the amount and type of Significant Capital Expenditures made by the Recipient in the Zone including, but not limited to investment description, investment type, date of investment, location of investment, and investment amount.
- (b) **Annual Project Report**. Each Recipient shall provide WEDC with an Annual Project Report (a sample of which is attached as Exhibit E) before the applicable due date identified in Section 7(f) below, and all supporting documentation for the Annual Project Report including payroll reports and documentation of Significant Capital Expenditures, as outlined in more detail in Exhibit E and accompanying verification spreadsheets.
- (c) Third Party Verification Report. The Recipients shall engage, at its own cost, nationally recognized certified public accountant (CPA) acceptable to WEDC to perform attestation of the Annual Project Reports submitted by the Recipients based on an Agreed Upon Procedures ("AUP") engagement pursuant to procedures approved in advance in writing by WEDC, in accordance with attestation standards established by the American Institute of Certified Public Accountants to agree without exception to the Annual Project Reports provided to WEDC per Section 7(b). The CPA shall determine whether (1) the Significant Capital Expenditures that the Recipients claim made in the previous Period for earning Capital Investment Tax Credits were expended in accordance with this Agreement, and (2) the Zone Payroll that the Recipients claim paid in the previous Period was appropriately stated. The CPA shall issue a report covering the items set forth above and satisfying the requirements below and the Recipients shall submit such report to WEDC within forty-five (45) days after the due date of the applicable Annual Project Reports covering the same Period.

Any finding that specific capital expenditures or payroll information reported to WEDC are ineligible per the terms of this Agreement or Wisconsin law will result in such capital expenditures and payroll being excluded from the calculation of Capital Investment Tax Credits and Job Creation Tax Credits, respectively, and, WEDC may require, in WEDC's reasonable discretion, the AUP report to include an expansion of the sample testing of the Recipients. The Recipients

shall make available for inspection by WEDC all of the Recipients' and the certified public accountant's documents supporting the claim and calculation of the Capital Investment Tax Credits and Job Creation Tax Credits and the attestation performed.

- (d) Additional Reporting. In addition to the information identified above, as part of the Recipients' Annual Project Report submissions, the Recipients will use commercially reasonable efforts to provide WEDC with information on their supply chain investment, related to the number of Wisconsin companies acting as suppliers as well as the total dollars spent with Wisconsin companies and/or Wisconsin specific industries. The parties acknowledge and agree that the Recipients have no affirmative obligation under this Agreement to make a certain supply chain investment.
- (e) **Duration of Reports**. The documentation identified in Sections 7(a) (d) above shall cover each Period of the Zone.

# (f) Schedule of Reporting.

Annual Project Report Period Covered	Payroll and Verification Report Period Covered	Due Date
1/1/2018 – 12/31/2018	1/1/2018 – 12/31/2018	4/1/2019
1/1/2018 – 12/31/2019	1/1/2019 – 12/31/2019	4/1/2020
1/1/2018 – 12/31/2020	1/1/2020 – 12/31/2020	4/1/2021
1/1/2018 – 12/31/2021	1/1/2021 – 12/31/2021	4/1/2022
1/1/2018 – 12/31/2022	1/1/2022 – 12/31/2022	4/1/2023
1/1/2018 – 12/31/2023	1/1/2023 – 12/31/2023	4/1/2024
1/1/2018 – 12/31/2024	1/1/2024 – 12/31/2024	4/1/2025
1/1/2018 – 12/31/2025	1/1/2025 – 12/31/2025	4/1/2026
1/1/2018 - 12/31/2026	1/1/2026 - 12/31/2026	4/1/2027
1/1/2018 – 12/31/2027	1/1/2027 – 12/31/2027	4/1/2028
1/1/2018 – 12/31/2028	1/1/2028 - 12/31/2028	4/1/2029
1/1/2018 – 12/31/2029	1/1/2029 – 12/31/2029	4/1/2030
1/1/2018 – 12/31/2030	1/1/2030 – 12/31/2030	4/1/2031
1/1/2018 – 12/31/2031	1/1/2031 – 12/31/2031	4/1/2032
1/1/2018 - 12/31/2032	1/1/2032 — 12/31/2032	4/1/2033

- (g) Recipients must submit all required annual reports and other documentation in a timely manner. If Recipients fail to submit all reporting material within 365 days of the end of a taxable year, Recipients may not receive Tax Credits earned during that taxable year.
- (h) The Recipients shall notify WEDC within thirty (30) days if any net Full-Time Jobs in Wisconsin are reduced or if any Full-Time Jobs are relocated out of Wisconsin.
- (i) Should the Recipients request a substantive amendment to this Agreement, each Recipient shall provide WEDC with statewide payroll information covering the twelve (12) month period through the end of the most recent month prior to WEDC's receipt of the amendment request. If there has been a reduction in the Recipients' Full-Time Jobs in Wisconsin, the amendment request will be reviewed by WEDC's Awards Administration Committee and Board of Directors.
- 8. **Refund Eligibility.** Electronics and Information Technology Manufacturing Zone Tax Credits are refundable. If the amount of a Recipient's claim for Tax Credits submitted to the Department of Revenue in any tax year exceeds the taxes otherwise due on Recipient's income under Wis. Stat. § 71.23 for such year, then the amount of the claim that is not used to offset taxes shall be certified by the Department of Revenue to the Department of Administration and paid to Recipient by check, share draft or other draft.
- 9. **Limitations.** Wis. Stat. § 71.28(3wm) outlines the treatment of partnerships, limited liability companies, and tax-option corporations as it relates to the Tax Credits.
- 10. **Event of Default.** The occurrence of any one or more of the following events shall constitute an "Event of Default" for the purposes of this Agreement:
- (a) Any Recipient or Guarantor supplies false or misleading information to WEDC to obtain Tax Credits under this Agreement.
- (b) The Recipients leave the Zone to conduct substantially the same business outside of the Zone during the duration of this Agreement.
- (c) The Recipients cease operations in the Zone during the duration of this Agreement and does not renew operation of the business or a similar business in the Zone within twelve (12) months.
- (d) The Recipients fail to comply with or meet the obligations set forth in Section 4(c) or 4(e) of this Agreement; *provided*, *however*, solely for purposes of Section 10(d), in the event that the number of actual Full-Time Jobs exceed the amounts set forth in Exhibit C, Column B, the amount in excess shall accrue up to a maximum accrual of 3,000 Full-Time Jobs and such accrued jobs shall be applied in any future Periods where the actual Full-Time Jobs are less than the amounts set forth in Exhibit C, Column B up to a maximum of 1,500 per Period (the "Jobs Accrual"), and the Jobs Accrual shall be applied (if necessary) prior to determination if there is a default under Section 4(c) above.

Notwithstanding the foregoing, no Event of Default under Section 10(d) above shall occur if such circumstances shall occur due to forces beyond the control of the Recipients, relating to catastrophic accidents, acts of war or terrorism, civil or military disturbances, or natural

catastrophes, or unlawful (as determined by the NLRB or the WERC) work stoppage or labor strike.

- (e) Any Recipient fails to comply with or perform, in any material respect, any of its obligations under this Agreement, without providing a satisfactory explanation, in WEDC's sole discretion, for the noncompliance.
- (f) Any Recipient breaches any of its representations, warranties or covenants set forth in this Agreement.
- (g) Any Guarantor is in default under the terms of the Guaranty or breaches any of its representations, warranties or covenants set forth in the applicable Guaranty.
- (h) Any Recipient or Guarantor becomes insolvent or the subject of insolvency proceedings, fails generally to pay its debts as they become due or makes an assignment for the benefit of creditors; or a receiver, trustee, custodian or other similar official is appointed for, or takes possession of any substantial part of the property of, Recipient or the Guarantor.
- (i) Any Recipient or Guarantor takes action to authorize such organization or person, as the case may be, to become the subject of proceedings under the United States Bankruptcy Code or of the protections of the insolvency laws of any other country; or the execution by Recipient or the Guarantor of a petition to become a debtor under the United States Bankruptcy Code or to receive the protections of the insolvency laws of any other country; or the filing of any involuntary petition against Recipient or the Guarantor under the United States Bankruptcy Code or the insolvency laws of any other country which remains undismissed for a period of 60 days; or the entry of an order for relief under the United States Bankruptcy Code against Recipient or the Guarantor or the entry of an order granting any of them protection under the insolvency laws of any other country.
- (j) The Guaranty shall cease to be in full force and effect; or any Guarantor or any other person acting for on or behalf of the Guarantor shall deny or disaffirm the Guarantors' obligations under the Guaranty; or any Guarantor shall default in the due performance or observance of any term, covenant or agreement on its part to be performed or observed pursuant to the Guaranty, as the ability to collect against the Guaranty is a condition precedent to enter into the Tax Credit Agreement and to provide the tax incentives herein.

#### 11. Remedies in Event of Default.

- (a) Upon the occurrence of any Event of Default, WEDC shall send a written notice of default to the Recipients, setting forth with reasonable specificity the nature of the default. If the Recipients fail to cure any such Event of Default to the reasonable satisfaction of WEDC within thirty (30) calendar days, WEDC may extend the cure period if WEDC determines, in its sole discretion, that the Recipients have begun to cure the Event of Default and diligently pursues such cure, or, without further written notice to the Recipients, declare the Recipients in default and exercise its rights under this Agreement, the Guaranty, and applicable law. The cure period shall in no event be extended more than one hundred eighty (180) days.
- (b) Upon the occurrence of an Event of Default pursuant to any of Sections 10(a) (d) above, and after the expiration of all applicable cure periods, WEDC shall, upon an additional thirty (30)

days prior written notice to the Recipients, revoke the Recipients' certification. WEDC and/or the Wisconsin Department of Revenue (DOR) may take action to recover from the Recipients each of the following (collectively, and together with any other obligations of the Recipients and Guarantors to WEDC, whether now existing or hereinafter arising, the "Secured Obligations"):

- 1. Tax Credits, verified by WEDC and claimed by the Recipients under this Agreement, as outlined in Exhibit C; and
- 2. All court costs and reasonable attorney's fees incurred by WEDC in terminating its obligations under this Agreement or in terminating the Agreement and recovering the amounts owed by Recipients under this provision, and, without limiting the foregoing, all reasonable costs and expenses incurred by WEDC in connection with collecting under the Guaranty.
- (c) Upon the occurrence of an Event of Default pursuant to any of Sections 10(e) (j) above, and after the expiration of all applicable cure periods, WEDC shall have the right, at its sole option, to revoke the Recipients' certification to claim any additional Tax Credits. WEDC and/or DOR will not recover any Tax Credits verified by WEDC and claimed by the Recipients under this Agreement so long as, for the duration of the Zone, an Event of Default set forth in any of Sections (a) (d) of this Agreement has not occurred and continued through the expiration of applicable cure periods. To the extent that any Event of Default of Sections 10(a) (d) has occurred with respect to any Recipient and has not been cured before the expiration of applicable cure periods, the Recipients will be subject to the remedies identified under Section 11(b).

After WEDC declares that the Recipients are in default pursuant to Section 11(b), WEDC may provide an invoice to Recipients outlining the repayment schedule which will require Tax Credits to be repaid on a quarterly basis at 0% interest rate ("Repayment Schedule"). The Repayment Schedule will require repayment over the same time period as the Tax Credits were verified under this Agreement or 8 years, whichever is shorter. If Recipients fail to timely pay any quarterly payment, WEDC will send a default notice to the Recipients. If payment is not received by WEDC within thirty (30) calendar days after the WEDC sends the default notice, then WEDC will pursue its rights and remedies against the Guarantors. The Guarantors will pay all outstanding payments due pursuant to the Repayment Schedule within thirty (30) calendar days of demand and will continue to timely pay on the Repayment Schedule. Notwithstanding the foregoing, WEDC retains the right to deny payment terms or to accelerate payment for any reason including but not limited to (i) an event of a default by any of the Guarantors, (ii) in the event WEDC is precluded from exercising rights under the Guaranty, (iii) in the event of the insolvency of any of Guarantors, (iv) if the failure to so proceed could cause WEDC to lose any rights or remedies at a later date, or (v) if WEDC, in its sole and absolute discretion, determines that failure to so proceed may jeopardize its ability to enforce and/or realize repayment under this Agreement or the Guaranty.

12. Recipients' Warranties, Representations and Covenants. In addition to the other provisions of this Agreement, to induce WEDC to enter into this Agreement to allocate Electronics and Information Technology Manufacturing Zone Tax Credits, each Recipient

warrants and represents and covenants that as of the Effective Date and at all times while this Agreement remains in effect:

- (a) The Recipient is duly organized, validly existing and in good standing under the laws of the State in which the Recipient is organized and is properly authorized to engage in business in the State of Wisconsin.
- (b) The Recipient is qualified to engage in business in every jurisdiction where the nature of its business makes such qualification necessary.
- (c) The Recipient complies with all laws, regulations, ordinances and orders of public authorities applicable to it, the violation of which would have a material and adverse effect on the Recipient's ability to perform its obligations under this Agreement or to otherwise engage in its business.
- (d) The financial statements and other information provided by the Recipient to WEDC are complete and accurate in accordance in all material respects with Generally Accepted Accounting Principles where applicable, and have been relied on by WEDC in deciding whether to enter into this Agreement and to continue its obligations under this Agreement.
- (e) There are no actions, suits or proceedings, whether litigation, arbitration, or administrative, pending or threatened against or affecting the Recipient which, if adversely determined, would individually or in the aggregate materially impair the ability of the Recipient to perform any of its obligations under this Agreement or adversely affect the financial condition or the assets of the Recipient (including that in which WEDC has a security interest).
- (f) The Recipient is unaware of any conditions which could subject it to any damages, penalties or clean-up costs under any federal or state environmental laws which would have a material and adverse effect on the Recipient's ability to comply with this Agreement or on its business or assets (including those in which WEDC has a security interest).
- (g) The Recipient has, or will acquire before commencing any work for which they are required, all necessary permits, licenses, certificates or other approval, governmental or otherwise, necessary to operate its business and own and operate its assets, all of which are in full force and effect and not subject to proceedings to revoke, suspend, forfeit or modify.
- (h) The Recipient has filed when due all federal and state income and other tax returns required to be filed by the Recipient and has paid all taxes shown thereon to be due. The Recipient has no knowledge of any uncompleted audit of the returns or assessment of additional taxes thereon.
- (i) The Recipient and the undersigned officer thereof has all necessary or requisite power and authority to execute and deliver this Agreement and to consummate the transactions provided for herein and therein.
- (j) The execution and delivery by the Recipient of this Agreement and the performance by the Recipient of the obligations to be performed hereunder and thereunder have been duly authorized by all necessary action of the Recipient and no other proceedings on the part of the Recipient are

necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered.

- (k) The Recipient's business requires most of the employees hired for the Project to perform their services in the Zone; and as a result the Recipient expects and is committed to providing significant job opportunities for Wisconsin residents.
- (l) The Recipient is not making these representations and warranties and covenants specifically based upon information furnished by WEDC.
- (m) These warranties and representations herein are true and accurate as of the date of this Agreement, and shall survive the execution thereof.
- (n) This Agreement is a valid and binding obligation, enforceable against the Recipient in accordance with its terms.
- (o) The information disclosed to WEDC in the course of WEDC's evaluation of the Recipient's eligibility for Tax Credits does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, taken as a whole and in light of the circumstances under which they were made, not misleading.
- (p) No filing has been made with any state authority of a decree of dissolution with respect to the Recipient.
- (q) None of the equity owners, managers, or officers of the Recipient have taken any action authorizing the liquidation or dissolution of the Recipient.
- (r) The execution and delivery and performance of this Agreement and the consummation of the transactions contemplated hereby and thereby (i) will not violate any law or any order of any governmental authority, in each case applicable to the Recipient or by which any of its properties are bound or affected, (ii) will not require any authorization, consent, approval, exemption or other action by or notice to any governmental authority or (iii) do not and will not, with or without the giving of notice or the passage of time, conflict with, result in or constitute a breach, default, right to accelerate or loss of rights under, or result in the creation of any lien or encumbrance pursuant to, [a] the terms or conditions of Recipient 's organizational documents or [b] any contract or instrument to which the Recipient is a party or by which the Recipient or its business are bound or affected.
- (s) Each Recipient, each subsidiary of each Recipient and each person that directly or indirectly owns any equity interests in the Recipient is in compliance (collectively, "Compliant Person") with all U.S. economic sanctions laws, Executive Orders and implementing regulations as promulgated by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), and all applicable anti-money laundering and counter-terrorism financing provisions of the Bank Secrecy Act and all regulations issued pursuant to it. No Compliant Person (i) is a person designated by the U.S. government on the list of the Specially Designated Nationals and Blocked Persons (the "SDN List") with which a U.S. person cannot deal with or otherwise engage in business transactions, (ii) is a person who is otherwise the target of U.S. economic sanctions laws such that a U.S. person cannot deal or otherwise engage in business transactions with such person

or (iii) is controlled by (including by virtue of such person being a director or owning voting shares or interests), or acts, directly or indirectly, for or on behalf of, any person on the SDN List or a foreign government that is the target of U.S. economic sanctions prohibitions such that the entry into, or performance under, this Agreement would be prohibited under U.S. law.

13. Wisconsin Open Records Law and Confidential Documents. Each Recipient understands that this Agreement and other materials submitted to WEDC may constitute public records subject to disclosure under Wisconsin's Open Records Law, § 19.31-.39.

# 14. Additional Requirements.

(a) Project and Financial Records. Each Recipient shall prepare, keep and maintain such records as may be reasonably required to validate the Recipient's claim and performance under this Agreement, whether conducted by the Recipient or by a third-party conducting Project-related activities on behalf of the Recipient, and the performance reports provided to WEDC. All of the Recipient's financial records shall be complete and accurate, and prepared, kept, and maintained in accordance with Generally Accepted Accounting Principles. Each Recipient shall provide financial and project records to WEDC during the term of this Agreement, including (a) quarterly company-prepared financial statements acceptable to WEDC in form and substance within 45 days after the end of each fiscal quarter of the Recipient, (b) annual financial statements, audited by certified public accountants acceptable to WEDC, within 120 days after the end of each fiscal year of the Recipient, and (c) other materials and information as may be requested by WEDC. Each Recipient shall also provide WEDC with its Unemployment Insurance Filing, Form UCT 101e. Such materials shall be retained by the Recipient for a period of at least three (3) years after January 1, 2033.

# (b) Inspection.

- (i) WEDC and its respective agents, shall, upon forty-eight (48) hours' advance written notice to a Recipient, have the right to enter the Recipient's premises, during normal business hours, to inspect the Recipient's operations and documentation relating to this Agreement, provided, however, that such access does not unreasonably disrupt the normal operations of the Recipient.
- (ii) Each Recipient shall produce for inspection, examination, auditing and copying by WEDC and its agents, upon reasonable advance notice, any and all records which relate to this Agreement, whether held by the Recipient or by a third-party conducting Project-related activities on behalf of the Recipient.
- (iii) WEDC reserves the right to conduct physical site visits of the Project during the term of this Agreement.
- (c) Authorization to Access Records. Each Recipient hereby authorizes WEDC to access information the Recipient has submitted to the Wisconsin Departments of Revenue and Workforce Development and use such information in assessing the Recipient's performance under this Agreement for the duration of this Agreement. The Recipient also authorizes WEDC to share

information submitted by the Recipient with the Wisconsin Departments of Revenue and Workforce Development.

- (d) Consolidation or Merger. During the term of this Agreement, each Recipient shall provide written notice to WEDC at least thirty (30) days in advance of any consolidation or merger with or into any other related or unrelated corporation or business entity. Recipient may not assign or transfer this Agreement, or any of the rights and benefits or obligations arising therefrom, without WEDC's prior written consent, which may be provided, withheld or conditioned in WEDC's reasonable discretion. With regards to any consolidation, merger, assignment or transfer, WEDC shall have the right to stop certifying Tax Credits until it is satisfied, in its reasonable discretion, that adequate measures are in place to guarantee the Recipients' obligations under this Agreement. The Recipients shall notify WEDC within thirty (30) days if Hon Hai or SIO International ceases to hold, directly or indirectly, an equity interest in the Recipients of more than 50%.
- (e) **Public Announcement.** The Recipients and WEDC shall agree to the form, content and timing of any public announcement of this Agreement.
- (f) **WEDC's Commitment.** This commitment represents the extent of WEDC's participation in the Project.
- 15. **Conflicts.** In the event of any conflict between the provisions of this Agreement and any accompanying documents, the terms of this Agreement control.
- 16. Choice of Law. THIS AGREEMENT AND ALL DISPUTES BETWEEN THE PARTIES TO THIS AGREEMENT RELATING TO OR ARISING FROM IT OR TO THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT OF IT, WHETHER SOUNDING IN CONTRACT LAW OR OTHERWISE SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED PURSUANT TO, THE SUBSTANTIVE AND PROCEDURAL LAWS OF THE STATE OF WISCONSIN.
- 17. Venue, Jurisdiction. Any judicial action relating to the construction, interpretation, or enforcement of this Agreement, or the recovery of any principal, accrued interest, court costs, attorney's fees and other amounts owed hereunder, shall be brought and venued in the U.S. District Court for the Western District of Wisconsin or the Dane County Circuit Court in Madison, Wisconsin. EACH PARTY HEREBY CONSENTS AND AGREES TO JURISDICTION IN THOSE WISCONSIN COURTS, AND WAIVES ANY DEFENSES OR OBJECTIONS THAT IT MAY HAVE ON PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS.
- 18. LIMITATION OF LIABILITY. EACH RECIPIENT HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER FROM WEDC ANY SPECIAL, EXEMPLARY, PUNITIVE, CONSEQUENTIAL, OR DAMAGES OF ANY OTHER NATURE OTHER THAN ACTUAL DAMAGES INCURRED OR SUFFERED BY RECIPIENT.

- 19. Severability. If any provision of this Agreement is held invalid or unenforceable by any Governmental Body of competent jurisdiction, such invalidity or unenforceability shall not invalidate the entire Agreement. Instead, this Agreement shall be construed as if it did not contain the particular provision or provisions held to be invalid or unenforceable, and an equitable adjustment shall be made and necessary provisions added so as to give effect to the intention of the parties as expressed in this Agreement at the time of the execution of this Agreement and of any amendments to this Agreement. In furtherance of and not in limitation of the foregoing, the parties expressly stipulate that this Agreement shall be construed in a manner which renders its provisions valid and enforceable to the maximum extent (not exceeding its express terms) possible under applicable law. "Governmental Body" means any federal, state, local, municipal, foreign or other government; courts, arbitration commission, governmental or quasi-governmental authority of any nature; or an official of any of the foregoing.
- 20. Joint and Several Liability. All Recipients shall be jointly and severally liable with respect to all representations, warranties, covenants and other obligations undertaken by a Recipient or Recipients in this Agreement. Without limiting the general application of the foregoing, the parties specifically agree that each Recipient is jointly and severally liable with other Recipients for the Secured Obligations and other sums payable or owning to WEDC under this Agreement. WEDC's performance of its obligations under this Agreement to one Recipient constitutes performance of the obligations to all Recipients.
- 21. **Remedies Cumulative.** The rights and remedies of WEDC set forth herein shall be in addition to any rights or remedies which WEDC may otherwise have.
- 22. **WEDC Not a Joint Venturer or Partner.** WEDC shall not, under any circumstances, be considered or represented to be a partner or joint venturer of the Recipient or any beneficiary thereof.
- 23. **Captions.** The captions and headings in this Agreement are for convenience of reference only and shall not define or limit any of the terms and conditions set forth herein.
- 24. **No Waiver.** No failure or delay on the part of WEDC in exercising any power or right under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any such power or right preclude any other exercise of any other power or right.
- 25. Entire Agreement; Assignment by WEDC. This Agreement (including all exhibits), and the Guaranty embody the entire agreement of the parties concerning WEDC's and the Recipients' obligations related to the subject of this Agreement. This Agreement may not be amended, modified or altered except in writing signed by the Recipients and WEDC. This Agreement supersedes all prior agreements and understandings between the parties related to the subject matter of this Agreement. Except to another agency or governmental unit of the State of Wisconsin, WEDC may not assign this Agreement without the prior written consent of the Recipients.

# 26. Recipient's Agent.

- (a) <u>Appointment of Recipient's Agent.</u> Each Recipient hereby appoints FEWI Development Corporation (the "Recipient's Agent") as its agent and its true and lawful attorney-in-fact, with full power and authority in its name and on its behalf, and the Recipient's Agent hereby accepts such appointment, to do the following:
  - i. Ensure each of the Recipient's compliance and performance under this Agreement;
  - ii. Provide all required reporting pursuant to Section 7 under this Agreement to WEDC, consolidated on behalf of all Recipients;
  - iii. Receive all notices related to this Agreement at the address set forth below the signature block of this Agreement

This appointment will not be terminated by any act of any Recipient or by operation of law, whether by the death, dissolution, or incapacity of any Recipient or by the occurrence of any other event. Each Recipient hereby consents to the taking of any and all actions and the making of any decisions required or permitted to be taken or made by the Recipient's Agent pursuant to this Section 26.

- (b) <u>WEDC</u> Reliance. WEDC is entitled to rely on any document or other paper delivered by the Recipient's Agent as being authorized by the Recipients, and WEDC will not be liable to any Recipient for any action taken or omitted to be taken by WEDC based on such reliance.
- (c) <u>Replacement of Recipient's Agent</u>. Until all obligations under this Agreement have been discharged, from time to time and for any reason, upon notice to WEDC, the Recipients may appoint a new Recipient's Agent by a writing signed by all Recipients. If the Recipient's Agent resigns as the Recipient's Agent, and the Recipients do not appoint a successor by a writing signed by all Recipients within 15 days after a request from WEDC, WEDC may appoint a Recipient's Agent from among the Recipients to fill any vacancy so created by notice of such appointment to the Recipients.

IN WITNESS WHEREOF, WEDC and the Recipients have caused their duly authorized representatives to execute and deliver this Agreement effective the date set forth next to WEDC's signature below.

V	V	IS	C(	1	VS	IN	₹.	$\mathbb{C}$	J.	N	O	V	П	C	T	) [	Ŧ,	V	F.	ľ,	O	P	١	1	V	Т	C	0	T	31	9	7	R	A	T	1	7	N	

By:

Secretary & CEO

11/10/2017

SIO INTERNATIONAL WISCONSIN, INC.

By:

Title: Special Assistant to CEO of Hon Hai Precision Industry Co., Ltd. and Authorized Representative for SIO

International Wisconsin, Inc.

11/10/2017 Date

FEWI DEVELOPMENT CORPORATION

By:

Name: Louis Woo, Phy

Title: Special Assistant to CEO of Hon Hai Precision Industry Co., Ltd. and Authorized Representative for

FEWI Development Corporation

11/10/2017 Date

AFE, INC.

By:

Name: Louis Woo,

Title: Special Assistant to CEO of Hon Hai Precision Industry Co., Ltd. and Authorized Representative for

AFE, Inc.

11/10/2017

#### ACKNOWLEDGED BY:

	Openamin	NOV. 10 201
Name: G Title: Ch	on, Tai-ming (Terry Gou) airman and President	Date
NTERNATI	ONAL HOLDINGS LIMITED	
N	Journey	NOV. (0 10, Date
	ou/Tai-ming (Terry Gou) airman and President	Date
MING GOU	(TERRY GOU)	
	powerou -	WOU. 10 101
Name: G	ou, Tai-ming (Perry Gou)	Date
ND ON BEI	IALF OF THE STATE OF WISC	ONSIN
11	1/2	Nown 2017 Date
Name: So	cott K. Walker	Date

Notices to the Recipients hereunder shall be effective upon mailing by first class mail, postage upon mailing by first class mail, postage prepaid, prepaid, and addressed to the following person and address or such other person and address as the Recipients may designate in writing:

**FEWI Development Corporation** c/o Michael Best & Friedrich LLP 100 East Wisconsin Avenue, 33rd Floor Milwaukee, WI 53202 Attn: Scott C. Beightol, Esq.

Notices to WEDC hereunder shall be effective and addressed as follows:

Wisconsin Economic Development Corporation Division of Credit & Risk P.O. Box 1687 Madison, WI 53701 Attn: EIMTZ Contract # EITMZ FY18-23932

# EXHIBIT A TAX CREDIT DISBURSEMENT SCHEDULE FOR JOB CREATION TAX CREDITS

Column A	Column B	Column C	Column D	Column E	Column F
Period	Minimum Cumulative Full- Time Jobs to Qualify (Percentage of Target Jobs) ("Minimum Jobs")	Cumulative Full-Time Jobs Target to Obtain Total Job Creation Credits in Column D ("Target Jobs")	Maximum Target Job Creation Credits ("Jobs Credits")	Maximum Carryforward in each period ("Carryforward")	Cumulative Job Creation Credit ("Cumulative Jobs Credits")
01/01/18 - 12/31/18	260 (25%)	1040	\$ 9,500,000		\$ 9,500,000
01/01/19 - 12/31/19	520 (25%)	2080	\$ 19,100,000	\$ 9,500,000	\$ 28,600,000
01/01/20 - 12/31/20	1,820 (35%)	5200	\$ 47,800,000	\$ 19,100,000	\$ 76,400,000
01/01/21 - 12/31/21	3,640 (40%)	9100	\$ 84,000,000	\$ 20,000,000	\$ 160,400,000
01/01/22 - 12/31/22	5,200 (40%)	13000	\$ 120,300,000	\$ 20,000,000	\$ 280,700,000
01/01/23 – 12/31/23	7,150 (55%)	13000	\$ 120,600,000	\$ 20,000,000	\$ 401,300,000
01/01/24 - 12/31/24	7,800 (60%)	13000	\$ 120,900,000	\$ 20,000,000	\$ 522,200,000
01/01/25 – 12/31/25	8,450 (65%)	13000	\$ 121,100,000	\$ 20,000,000	\$ 643,300,000
01/01/26 - 12/31/26	9,100 (70%)	13000	\$ 121,500,000	\$ 40,000,000	\$ 764,800,000
01/01/27 - 12/31/27	10,400 (80%)	13000	\$ 121,700,000	\$ 40,000,000	\$ 886,500,000
01/01/28 - 12/31/28	10,400 (80%)	13000	\$ 122,000,000	\$ 40,000,000	\$ 1,008,500,000
01/01/29 – 12/31/29	10,400 (80%)	13000	\$ 122,300,000	\$ 40,000,000	\$ 1,130,800,000
01/01/30 - 12/31/30	10,400 (80%)	13000	\$ 122,700,000	\$ 40,000,000	\$ 1,253,500,000
01/01/31 – 12/31/31	10,400 (80%)	13000	\$ 123,000,000	\$ 40,000,000	\$ 1,376,500,000
01/01/32 – 12/31/32	10,400 (80%)	13000	\$ 123,500,000	\$ 40,000,000	\$ 1,500,000,000
	Subject to the eligib	Total Maxi ility requirements outline		tion Tax Credits* and in Wisconsin law.	\$1,500,000,000 USD

Page 24 of 29

# EXHIBIT B TAX CREDIT DISBURSEMENT SCHEDULE FOR CAPITAL INVESTMENT TAX CREDITS

Column A	Column B	Column C
Period	Capital Investment Full-Time Jobs Target to Earn Maximum Capital Investment Tax Credits (Percentage of "Target Jobs" from Exhibit A)	Maximum Capital Investment Tax Credits
1/1/2019 – 12/31/2019	520 (25%)	\$192,857,143
1/1/2020 – 12/31/2020	1,820 (35%)	\$192,857,143
1/1/2021 - 12/31/2021	3,640 (40%)	\$192,857,143
1/1/2022 – 12/31/2022	5,200 (40%)	\$192,857,143
1/1/2023 - 12/31/2023	7,150 (55%)	\$192,857,143
1/1/2024 - 12/31/2024	7,800(60%)	\$192,857,143
1/1/2025 - 12/31/2025	8,450 (65%)	\$192,857,142
📳 in the second of the second	tal Investment Tax Credits* outlined in the Agreement and in Wisconsin law.	\$1,350,000,000 USD

Capital Investment Tax Credits can be carried forward as set forth in the Section 6(b).

#### Example:

If, in Period 1 (ending 12/31/19), the Recipients have 520 Full-Time Jobs but due to capital investment made in that year the Recipients only earn \$172,857,143 of the \$192,857,143 under Exhibit B, Column C, then \$20,000,000 would be included in the Cap Ex Carryforward.

In Period 2 (ending in 12/31/20), the Recipients do not have the 1,820 Full-Time Jobs identified in Exhibit B, Column C. There would be no additional Cap Ex Carryforward for Period 2; but the \$20,000,000 from Period 1 continues to be carried forward.

In Period 3 (ending in 12/31/21), the Recipients have 3,640 Full-Time Jobs identified in Exhibit B, Column C. Recipients would be entitled to \$212,857,143 (\$20,000,000 in Cap Ex Carryforward plus \$192,857,143) in Capital Investment Tax Credits for Period 3 to the extent that the Recipients have otherwise earned the full amount of Capital Investment Tax Credits calculated pursuant to Section 6(b).

If, in Period 3, Recipients had \$100,000,000 in Cap Ex Carryforward, then Recipients would be entitled to \$289,257,143 (\$96,400,000 in Cap Ex Carryforward plus \$192,857,143) in Capital Investment Tax Credits for Period 3 with a \$3,600,000 Cap Ex Carryforward to the extent that the Recipients have otherwise earned the full amount of Capital Investment Tax Credits calculated pursuant to Section 6(b).

EXHIBIT C
CLAWBACK SCHEDULE

Column A	Column B	Column C	Column D
Period	# of Full-Time Jobs	Maximum Recovery Payment - Sections 10(d)	Maximum Recovery Payment - Sections 10(a) - (c)
01/01/18-12/31/18		\$ -	100% of credits verified to date
01/01/19 - 12/31/19		<b>'\$</b>	100% of credits verified to date
01/01/20 - 12/31/20	1,300*	\$ -	100% of credits verified to date
01/01/21 - 12/31/21	2,275*	\$ -	100% of credits verified to date
01/01/22-12/31/22	4,000*	\$ -	100% of credits verified to date
01/01/23 - 12/31/23	5,850	\$ 500,000,000	\$ 965,000,000
01/01/24 - 12/31/24	6,500	\$ 500,000,000	\$ 965,000,000
01/01/25 - 12/31/25	6,500	\$ 500,000,000	\$ 965,000,000
01/01/26 - 12/31/26	6,500	\$ 400,000,000	\$ 772,000,000
01/01/27 - 12/31/27	6,500	\$ 350,000,000	\$ 675,500,000
01/01/28-12/31/28	6,500	\$ 300,000,000	\$ 579,000,000
01/01/29 - 12/31/29	6,500	\$ 250,000,000	\$ 386,000,000
01/01/30-12/31/30	6,500	\$ 250,000,000	\$ 386,000,000
01/01/31-12/31/31	6,500	\$ 250,000,000	\$ 386,000,000
01/01/32-12/31/32	6,500	\$ 250,000,000	\$ 386,000,000

<sup>\*</sup> In this period, not meeting the jobs number is not an event of default. The number listed is a target and all Full-Time Jobs over this may be accumulated subject to a maximum of 3,000 jobs, as referenced in the default language of the contract.

The guarantors have agreed to the following split with regards to their liability under the Agreement and Guaranty:

Hon Hai	75% of applicable Maximum Recovery Payment under Exhibit C,
	Column C or D.
SIO International and	25% of applicable Maximum Recovery Payment under Exhibit C,
Terry Gou	Column C or D.

#### Example:

If, in Period 6 (ending 12/31/23), there is an event of default under Section 10(a) and the Recipients do not make payments as required under the Agreement, WEDC would pursue payment from the Guarantors under the terms of the Agreement and Guaranty.

In Period 6, the Maximum Recovery Payment under Exhibit C, Column D is \$965,000,000.

Hon Hai has agreed to pay 75% of the Maximum Recovery Payment under Exhibit C, Column C or D. As a result, WEDC would have the right to pursue a revocation, under Hon Hai's guarantee, in an amount up to \$723,750,000 (\$965,000,000 x 75%).

SIO International and Terry Gou have agreed to pay collectively 25% of the Maximum Recovery Payment under Exhibit C, Column C or D. As a result, WEDC would have the right to pursue a revocation, under SIO International and Terry Gou's guarantee, in an amount up to \$241,250,000 (\$965,000,000 x 25%).

# **EXHIBIT D**

#### ZONE DESIGNATION

All of Sections 30, 31, 32 and 33, and part of Sections 19, 20, and 29, all in Township 3 North, Range 22 East, Village of Mount Pleasant, Racine County, Wisconsin, being more particularly described as follows:

Beginning at the southwest corner of said Section 31, thence North, coincident with the west line of said Section 31, 5330 feet more or less to the southwest corner of said Section 30; thence North, coincident with the west line of said Section 30, 5297 feet more or less to the southwest corner of said Section 19; thence North coincident with the west line of said Section 19, 4000 feet more or less to the north line of parcel number 03-22-19-008-000; thence East coincident with said north line, 1088 feet to the west line of said parcel; thence North coincident with said west line, 1298 feet to the North line of said Section 19; thence East, coincident with the north line of said Section 19, 4062 feet more or less to the northwest corner of said Section 20; thence East, coincident with the north line of said Section 20, 5290 feet more or less to the northeast corner of said Section 20, and a north-south line of the Village of Mount Pleasant; thence South, coincident with the east line of the Northeast 1/4 of said Section 20, and also coincident with said north-south line, 2648 feet more or less to the southeast corner of said Northeast 1/4 of Section 20; thence West, coincident with an east-west line of the Village of Mount Pleasant and the south line of said Northeast 1/4 of said Section 20, 2648 feet more or less to the southwest corner of the Northeast 1/4 of said Section 20; thence South, coincident with a north-south line of the Village of Mount Pleasant and the east line of the Southwest 1/4 of said Section 20, 2270 feet more or less to the north line of a railroad right of way; thence Northeasterly coincident with a northeast-southwest line of the Village of Mount Pleasant and said north railroad right of way line, 1335 feet more or less to the east line of the west 1/2 of the Southeast 1/4 of said Section 20; thence South coincident with a north-south line of the Village of Mount Pleasant and said east line, 600 feet more or less to the south line of said Section 20; thence South coincident with a north-south line of the Village of Mount Pleasant and the east line of the West 1/2 of the East 1/2, of said Section 29, 5294 feet more or less to the north line of said Section 32; thence East coincident with an east-west line of the Village of Mount Pleasant and the north line of said Section 32, 1330 feet more or less to the northwest corner of said Section 33; thence East coincident with an east-west line of the Village of Mount Pleasant and the north line of said Section 33, 5304 feet more or less to the northeast corner of said Section 33; thence South coincident with the east line of said Section 33, 5287 feet more or less to the southeast corner of said Section 33; thence West coincident with the south line of said Section 33, 5284 feet more or less to the southeast corner of said Section 32; thence West coincident with the south line of said Section 32, 5299 feet more or less to the southeast corner of said Section 31; thence West coincident with the south line of said Section 31, 5187 feet more or less to the point of beginning.

# **EXHIBIT E**

# SAMPLE PERFORMANCE REPORT

(SAMPLE ONLY- You will be sent a report to complete 30 days before the due date)

# PLEASE RETURN YOUR COMPLETED REPORT AND REQUIRED SUPPORTING DOCUMENTATION

TO: reporting@wedc.org

PROJECT INFORMATION		
CONTRACT #: AWARDEE: PROJECT SITE:	REPORTING DESIGNEE: Email:	REPORTING PERIOD:
PROJECT FUNDING	Planned	Actual for reporting period
TOTAL PROJECT BUDGET	\$	
Awardee ( ) Direct Expenditures		\$
Other Privately Funded Expenditures (investors, financial institutions)	please enter ->	\$
Other Publicly Funded Expenditures (state, federal, other public aid)	amounts	\$
TOTAL PROJECT EXPENDITURES		\$
WEDC AWARD INFORMATION	Eligible	Verified
WEDC Tax Credits	\$ ********** <b>\$</b>	<b>\$</b>
project deliverables, as well as any factors that may have had an adverse effect on the project project plans for the coming year including what steps will be taken to ensure performance w Percentage Completion of Project:%  What project activities have been completed as of the end of the reporting period, and while what contract deliverables were completed during the reporting period? (Please provide as What actions are being taken within the next year to ensure contractual performance?  GENERAL CERTIFICATIONS  Position Openings were posted with the Wisconsin Department of Workforce Development Yes No (if No, attach a description of your organization's hiring process Jobs have not been reduced at other locations in the State in order to increase jobs at this p Yes No (if No, attach an explanation)  No WEDC funds were utilized to outsource jobs from the state of Wisconsin Agree Disagree (attach an explanation)  Eligible Employee are offered retirement, health, and other benefits Yes No (if No, attach an explanation)	ch would not have occurred if not for n explanation for any deliverables the characters of the control of the characters	edditional pages if needed.  WEDC assistance?  at were not met)
As required by your contract, please attach the following documentation to this report and in Payroll Report (instructions): Tax Year End:// Capital Expenditure Report Dated:// UCT-101e Unemployment Insurance Filing from the Department of Workforce		ow:
PRINCIPAL/PROJECT DIRECTOR AFFIDAVIT		
As the authorized representative for this project, I hereby attest and certify that the information submitted is true and correct to the best of my knowledge.		

PROJECT INFORMATION		
(SIGNATURE)		
(PRINT NAME) (EMAIL ADDRESS)		WEDC Review
UPPLY CHAIN PURCHASES	Planned	Actual
urchase a specific amount of goods from Wisconsin suppliers.	\$	\$
		and the second of the second o
Purchase Breakdown		
Purchase Breakdown Number of Wisconsin Suppliers of Goods Purchased		# Suppliers

From: Mark Hogan
To: Kelly Lietz
Subject: Fwd: Statement

 Date:
 Wednesday, January 30, 2019 1:23:15 PM

 Attachments:
 WEDC statement on Foxconn letter.pdf

My response to the company's 1/17 letter to me.

Get Outlook for iOS

From: Kathie Colbert <kathie.colbert@wedc.org>

Sent: Wednesday, January 30, 2019 9:59 AM

To: Mark Hogan

**Subject:** FW: Statement

Would this be it?

Kathie

From: Mark Maley

**Sent:** Thursday, January 17, 2019 6:52 PM **To:** Mark Hogan <mark.hogan@wedc.org>

Subject: Statement

Let me know if you want anything changed.



For additional information, contact: Mark Maley, 608.210.6706 mark.maley@wedc.org

# WEDC statement on 1/17 letter from Foxconn

# Background

Under the terms of the contract, Foxconn was eligible for up to \$9.5 million in tax credits based on the number of jobs the company created in 2018. Because the company indicated that it has created 178 jobs that meet the contract requirements, which is less than the minimum job creation target of 260 jobs, no tax credits will be awarded for 2018.

# Statement from WEDC Secretary and CEO Mark R. Hogan

"The update provided today by Foxconn reaffirms the company's commitment to Wisconsin as evidenced by the significant investments that go well beyond the requirements of its contract with WEDC. This transformational project will reshape Wisconsin's economy, education system and workforce as it brings the next generation of advanced manufacturing to the U.S.

"As the update from the company shows, Foxconn has made extensive progress on its advanced manufacturing campus in Racine County, and has invested more than \$200 million statewide. These additional investments include the North American headquarters in Milwaukee, the innovation centers in Racine, Green Bay and Eau Claire, a \$100 million commitment to UW-Madison for a science and research institute, the creation of a \$1 million competition to promote Smart Cities innovation, and the establishment of the Wisconn Valley Venture Fund, which will spur startup activity in the region.

"To protect state taxpayers, WEDC's contract with Foxconn clearly states tax credits will only be awarded when Foxconn meets its annual job creation and capital investment requirements. Since that did not occur in 2018, the company will not receive any credits this year.

"Foxconn remains committed to creating 13, 000 jobs and we look forward to working with the company as it continues to build out the Wisconn Valley Science and Technology Park and its other investments throughout Wisconsin."

From: Mark Hogan
To: Kelly Lietz
Subject: Fwd: Misc

**Date:** Wednesday, January 30, 2019 1:25:37 PM

Attachments: FC Letter 01172019.pdf
FC 01172019 Response.pdf

#### FEWI DEVELOPMENT CORP.



611 E. Wisconsin Avenue, Milwaukee, WI, USA 53202

January 17, 2019

Mr. Mark R. Hogan
Secretary and CEO
Wisconsin Economic Development Corporation

Dear Mr. Hogan,

On behalf of the Foxconn leadership team and members of the Foxconn family here and around the world, I am pleased to share with you some highlights of our Wisconn Valley Science and Technology Park (WVSTP) project and the development of the Innovation Centers established throughout Wisconsin to support the important initiative.

In 2018, Foxconn and our partners in academic and business communities made good progress on all fronts related to our significant investments in the state and our goal of contributing to Wisconsin's transformation into a high-tech hub. As part of our commitment to the state, below is a summary of some of the accomplishments thus far.

## Overall Investment

- Invested over \$200 million to date in Wisconsin while adopting a "Wisconsin First" approach and awarding 95% of all contracts to date to Wisconsin companies, with almost 16% going to minority, women and veteran owned businesses. Contracts were awarded to 93 companies in 17 counties throughout Wisconsin.
- Expanded our presence around the state through the purchase of a total of three buildings and ongoing fit-out of what will become technology-focused Innovation Centers at our Foxconn Places in Racine, Green Bay, and Eau Claire. As a sign of our commitment to talent retention and attraction in the State of Wisconsin, we also purchased a building in Milwaukee and established that facility as our North American headquarters.

#### Construction and Environmental Sustainability

- Moved 4 million cubic yards of dirt in the construction of Wisconn Valley Science and Technology Park (WVSTP) campus while construction moves forward on schedule.
- Completed the construction of a 120,000 square foot Multipurpose Building at WVSTP.

Ensured that the WVSTP project would meet our commitment to promote environmental sustainability by selecting a \$30 million Zero Liquid Discharge water recycling system to dramatically reduce water usage at the facility.

#### Hiring

- Created 1,032 direct jobs and many more indirect jobs in support of the Wisconsin project. This figure
  includes 178 full-time Foxconn employees and 854 employees involved in the construction of WVSTP,
  who are residents of 54 counties in Wisconsin.
- Initiated a veteran hiring program by welcoming 22 veterans, including CAPT Christopher "Tank" Murdoch, USN (Ret.) as Foxconn's first employee in Wisconsin. In line with Foxconn's commitment to hire veterans, this was followed by the hire of LTC Scott E. Rubitsky, USA (Ret.) who became Foxconn's Director of Business Development and Plans in Wisconsin, and COL Peter Buck, USMC (Ret.) who assumed the position of Executive Director of the WVSTP. Recently, MAJ GEN Timothy Zadalis, USAF (Ret.) also joined Foxconn as Senior Counselor. We are committed to hiring many other veterans as part of the project workforce.
- Held and participated in 34 recruitment and job fairs for the public (in Mount Pleasant, Racine, Green Bay, Eau Claire, and Milwaukee), for university students (at UW-Milwaukee, St. Norbert College, UW-Madison, UW-Platteville, Marquette University, UW-Eau Claire, Milwaukee School of Engineering, UW-Green Bay, UW-Stout, Waukesha County Technical College), and for former military personnel at various veteran career fairs such as the Milwaukee Vet Job Fair in Wisconsin, at Fort Bragg in North Carolina, and at Joint Base Lewis-McChord in Washington state.

#### **Educational Initiatives & Community Engagement**

- Made a \$100 million commitment to the University of Wisconsin-Madison to help establish the Foxconn Institute for Research in Science and Technology which will help develop the state's research and engineering talent.
- Supported Wisconsin students, staff, and faculty from higher education communities around the state through the ongoing \$1 million "Smart Cities – Smart Futures" competition.
- Co-established a \$100 million Wisconn Valley Venture Fund with Advocate Aurora Health, Johnson Controls, and Northwestern Mutual.
- Established numerous other partnerships with Wisconsin educational institutions, including The
  University of Wisconsin System, University of Wisconsin-Madison, Wisconsin Association of
  Independent Colleges and Universities, Wisconsin Technical College System, University of WisconsinMilwaukee, University of Wisconsin-Parkside Gateway Technical College, Carthage College, Milwaukee
  Area Technical College, Marquette University, and Medical College of Wisconsin.

Engaged the Wisconsin business community to outline our project objectives and the opportunities

for participation in our supply chain in a wide array of events hosted by Wisconsin Manufacturers and

Commerce, Blackhawk Technical College, Madison College, the La Crosse Chamber Foundation,

Chippewa Valley Technical College, Northeast Wisconsin Technical College, Superior Government

Center, UW Platteville, Gateway Technical College, the Wausau Entrepreniual Enterprise Center, the

Metropolitan Milwaukee Association of Commerce, the Wisconsin Technology Council, the Racine

County Economic Development Corporation, the Greater Milwaukee Committee, The New North, the

Wisconsin Veterans Chamber of Commerce, the University Economic Development Association, the

Wisconsin Economic Development Corporation, and Manufacturing First, among others.

Supported Wisconsin businesses by investing in the state's gingseng industry and helping to facilitate

and fund the participation of Wisconsin businesses at the first China International Import Expo (CIIE) in

November 2018.

In 2018, we made the strategic decision to broaden the base of our investment within the State of Wisconsin,

far beyond what we initially planned, to ensure the company and our workforce will be positioned for long-

term success.

While we remain committed to creating 13,000 jobs in Wisconsin, we have adjusted our recruitment and hiring

timeline. As a company with operations around the world, we need to have the agility to adapt to a range of

factors including global economic conditions. We have done so while simultaneously progressing on other

aspects of the project and achieving our foremost priority for 2018 - creating a solid foundation upon which

the Wisconsin project can continue to grow further.

Among the 1,032 jobs we created in support of the project, 178 of those jobs met the requirement for the 2018

round of investment tax credits/co-investment from the state. For that reason, we will not seek the first round

of co-investment from the state.

In 2019, we look forward to making continued progress on the construction of the Wisconn Valley Science and

Technology Park campus. We will be conducting further information sessions for contractors in coming months.

As part of the first phase of the project, we expect to start construction of facilities to house cutting-edge display

development, advanced manufacturing, and 8K+5G research and development capabilities in the spring.

Thank you for the support your agency has provided to our company throughout these important stages of our

project; we assure you we will maintain regular contact with you regarding the continued progress of the project.

Regards,

Dr. Louis Woo

Special Assistant to CEO



For additional information, contact: Mark Maley, 608.210.6706 mark.maley@wedc.org

# WEDC statement on 1/17 letter from Foxconn

# Background

Under the terms of the contract, Foxconn was eligible for up to \$9.5 million in tax credits based on the number of jobs the company created in 2018. Because the company indicated that it has created 178 jobs that meet the contract requirements, which is less than the minimum job creation target of 260 jobs, no tax credits will be awarded for 2018.

# Statement from WEDC Secretary and CEO Mark R. Hogan

"The update provided today by Foxconn reaffirms the company's commitment to Wisconsin as evidenced by the significant investments that go well beyond the requirements of its contract with WEDC. This transformational project will reshape Wisconsin's economy, education system and workforce as it brings the next generation of advanced manufacturing to the U.S.

"As the update from the company shows, Foxconn has made extensive progress on its advanced manufacturing campus in Racine County, and has invested more than \$200 million statewide. These additional investments include the North American headquarters in Milwaukee, the innovation centers in Racine, Green Bay and Eau Claire, a \$100 million commitment to UW-Madison for a science and research institute, the creation of a \$1 million competition to promote Smart Cities innovation, and the establishment of the Wisconn Valley Venture Fund, which will spur startup activity in the region.

"To protect state taxpayers, WEDC's contract with Foxconn clearly states tax credits will only be awarded when Foxconn meets its annual job creation and capital investment requirements. Since that did not occur in 2018, the company will not receive any credits this year.

"Foxconn remains committed to creating 13, 000 jobs and we look forward to working with the company as it continues to build out the Wisconn Valley Science and Technology Park and its other investments throughout Wisconsin."

From: <u>Jela Trask</u>

To: <u>Jenny Trick; James Madlom; Myranda Tanck</u>

Cc: <u>Kelly Lietz</u>
Subject: WEDC Statement

**Date:** Wednesday, January 30, 2019 1:45:40 PM

Attachments: APPROVED - WEDC Response to 013019 Reuters Story.docx

image001.png image002.png image003.png image004.png image012.png image013.png image014.png image015.png image016.png image019.png image020.png image021.png image021.png image022.png

#### Team

In light of this morning's story and Mark Maley's condition, I wanted to share the WEDC response for reference. I've cc'd Kelly Lietz who is handling media inquiries, which the majority are being handled with this statement. In the event you have any questions, please reach out to Kelly.

Thanks.

Jela Trask Key Business Liaison Business & Investment Attraction Director Wisconsin Economic Development Corporation 201 W. Washington Ave Madison, WI 53703

Ph: 608.210.6759



Website: http://inwisconsin.com

Newsletters: http://inwisconsin.com/subscribe/



From: Kelly Lietz

Sent: Wednesday, January 30, 2019 12:21 PM

To: Jela Trask < jela.trask@wedc.org>

**Subject:** Approved Statement

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858









Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



# APPROVED RESPONSE TO REUTERS JANUARY 30, 2019, STORY ON FOXCONN'S WISCONSIN INVESTMENT

# Statement from Wisconsin Economic Development Corporation Secretary & CEO Mark R. Hogan:

"Over the past 45 years, Foxconn's success has been based on the company's ability to foresee and adapt to technological advancements. Foxconn's long-term success both globally and within Wisconsin is centered around the alignment of its business model with ever-changing global economic conditions, including evolving customer demands.

WEDC's performance-based contract with Foxconn provides the company the flexibility to make these business decisions, and at the same time, protects Wisconsin's taxpayers. As has been reported, Foxconn will not qualify for tax credits until, at the earliest, 2020, and then only if the company meets its annual job creation and capital investment requirements. Our ongoing discussions with company officials reflect Foxconn's continued commitment to the State of Wisconsin."

From: Mark Hogan
To: Kelly Lietz

Subject: Re: Cost of Foxconn

Date: Wednesday, January 30, 2019 2:32:20 PM

Attachments: image006.png image007.png

image008.png image009.png image010.png image011.png image017.png image018.png image019.png image020.png image026.png image027.png image028.png image029.png image035.png image036.png image044.png image045.png image046.png

image047.png image048.png

Ok

## Get Outlook for iOS

From: Kelly Lietz

Sent: Wednesday, January 30, 2019 2:11:31 PM

To: Mark Hogan

Subject: RE: Cost of Foxconn

Okay. How about this as a response:

Denise,

Your statement should be adjusted as follows:

The company could still qualify for \$193 million a year in tax credits for capital expenditures if they meet minimum job creation requirements stipulated in the contract. If Foxconn falls below the required job creation measure, the contract reduces the amount of tax credits that will be awarded for capital expenditures.

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703 Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Mark Hogan

Sent: Wednesday, January 30, 2019 2:01 PM

To: Kelly Lietz <kelly.lietz@wedc.org>

Subject: Re: Cost of Foxconn

The company's ability to earn cap ex tax credits is tied to the minimum job creation numbers in column B, Exhibit B. If they fall below that job creation number, there is a calculation that reduces the amount they can earn. Examples of how the calculation works can found in 5 (a) and (b) on p. 9 of the contract.

Get <u>Outlook for iOS</u>

From: Kelly Lietz < kelly.lietz@wedc.org>
Sent: Wednesday, January 30, 2019 1:41 PM

To: Mark Hogan

Subject: FW: Re: Cost of Foxconn

## Can you confirm this?

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858









Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



**From:** Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

Sent: Wednesday, January 30, 2019 1:35 PM

To: Kelly Lietz < kelly.lietz@wedc.org> Subject: RE: Re: Cost of Foxconn

Thanks! Just for clarity, did I read the contract correctly on this? Don't want to publish anything inaccurate, and you guys know this better than I do:

The company could still qualify for \$193 million a year in tax credits and breaks from Wisconsin from 2019 to 2025 if it invests \$10 billion into work structures, per the contract.

**From:** Kelly Lietz [mailto:kelly.lietz@wedc.org] Sent: Wednesday, January 30, 2019 2:29 PM

**To:** Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

Subject: RE: Re: Cost of Foxconn

Danielle,

The attached documents should answer your questions. The letter from Foxconn provides information on their performance to contract for 2018. Mark Hogan's response to this letter is also attached.

I've also included the Foxconn contract. Exhibits A and B provide the information you are seeking.

Kelly

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858





in





Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a> [inwisconsin.com]

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a> [inwisconsin.com]



**From:** Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

Sent: Wednesday, January 30, 2019 1:03 PM

**To:** Kelly Lietz < kelly.lietz@wedc.org > **Subject:** RE: Re: Cost of Foxconn

Thanks, Kelly. Could you please tell me how many jobs Foxconn created in Wisconsin in 2018 and where? Also: What would Foxconn have to do in order to qualify for state incentives this year? (And how much could the 2019 incentives be?)

From: Kelly Lietz [mailto:kelly.lietz@wedc.org]
Sent: Wednesday, January 30, 2019 2:02 PM

**To:** Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

**Subject:** RE: Re: Cost of Foxconn

Danielle,

I'm pitch-hitting for Mark Maley (health issues) on this, so I'm not sure I will be able to provide all of the information you are seeking. I would be happy to chat with you, but it is likely that I would have to take down your questions and get back to you with responses. Alternatively, you can email me your follow-up questions and I'll see what I can do.

Kelly

Kelly Lietz
Vice President, Marketing and Brand Strategy
Wisconsin Economic Development Corporation
201 W. Washington Avenue
Madison, WI 53703









Newsletters: <a href="http://inwisconsin.com/subscribe/[inwisconsin.com">http://inwisconsin.com/subscribe/[inwisconsin.com</a>]



From: Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

Sent: Wednesday, January 30, 2019 12:43 PM

**To:** Kelly Lietz < kelly.lietz@wedc.org > **Subject:** RE: Re: Cost of Foxconn

Thanks, Kelly. Could we hop on the phone for a background chat on the nuts and bolts?

From: Kelly Lietz [mailto:kelly.lietz@wedc.org]
Sent: Wednesday, January 30, 2019 1:28 PM

To: Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

**Subject:** RE: Re: Cost of Foxconn

Statement from Wisconsin Economic Development Corporation Secretary & CEO Mark R. Hogan:

"Over the past 45 years, Foxconn's success has been based on the company's ability to foresee and adapt to technological advancements. Foxconn's long-term success both globally and within Wisconsin is centered around the alignment of its business model with ever-changing global economic conditions, including evolving customer demands.

WEDC's performance-based contract with Foxconn provides the company the flexibility to make these business decisions, and at the same time, protects Wisconsin's taxpayers. As has been reported, Foxconn will not qualify for tax credits until, at the earliest, 2020, and then only if the company meets its annual job creation and capital investment requirements. Our ongoing discussions with company officials reflect Foxconn's continued commitment to the State of Wisconsin."

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

f









Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a> [inwisconsin.com]

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a> [inwisconsin.com]



**From:** Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

**Sent:** Wednesday, January 30, 2019 8:35 AM **To:** Mark Maley < <u>mark.maley@wedc.org</u>>

**Subject:** Re: Cost of Foxconn

Hi Mark,
Hope you're well. Are you hearing that Foxconn is no longer building in Wisconsin?
And if so, why not?
Please let me know!

**To:** Mark Maley < <u>mark.maley@wedc.org</u>>

**Subject:** Re: Cost of Foxconn

Hi Mark,

Hope you're well. Are you hearing that Foxconn is no longer building in Wisconsin?

And if so, why not?
Please let me know!

 From:
 Kelly Lietz

 To:
 Mark Hogan

 Subject:
 RE: Cost of Foxconn

Date: Wednesday, January 30, 2019 2:41:00 PM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image005.png image006.png image007.png image008.png image009.png image010.png image011.png image017.png image018.png image019.png image020.png image026.png image027.png image028.png image029.png image035.png image036.png image044.png image045.png image046.png image047.png image048.png image055.png

Yeah, Denise is the other one I'm emailing. Thanks.

image056.png image057.png image058.png image059.png image060.png

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Mark Hogan

Sent: Wednesday, January 30, 2019 2:37 PM

To: Kelly Lietz <kelly.lietz@wedc.org>

Subject: Re: Cost of Foxconn

Except it is Danielle, not Denise.

Get <u>Outlook for iOS</u>

From: Kelly Lietz < kelly.lietz@wedc.org>
Sent: Wednesday, January 30, 2019 2:11 PM

To: Mark Hogan

**Subject:** RE: Cost of Foxconn

Okay. How about this as a response:

Denise,

Your statement should be adjusted as follows:

The company could still qualify for \$193 million a year in tax credits for capital expenditures if they meet minimum job creation requirements stipulated in the contract. If Foxconn falls below the required job creation measure, the contract reduces the amount of tax credits that will be awarded for capital expenditures.

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Mark Hogan

Sent: Wednesday, January 30, 2019 2:01 PM

**To:** Kelly Lietz < <u>kelly.lietz@wedc.org</u>>

Subject: Re: Cost of Foxconn

The company's ability to earn cap ex tax credits is tied to the minimum job creation numbers in column B, Exhibit B. If they fall below that job creation number, there is a calculation that reduces the amount they can earn. Examples of how the calculation works can found in 5 (a) and (b) on p. 9 of the contract.

Get Outlook for iOS

From: Kelly Lietz < kelly.lietz@wedc.org>
Sent: Wednesday, January 30, 2019 1:41 PM

To: Mark Hogan

Subject: FW: Re: Cost of Foxconn

Can you confirm this?

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



**From:** Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

Sent: Wednesday, January 30, 2019 1:35 PM

**To:** Kelly Lietz < kelly.lietz@wedc.org> **Subject:** RE: Re: Cost of Foxconn

Thanks! Just for clarity, did I read the contract correctly on this? Don't want to publish anything inaccurate, and you guys know this better than I do:

The company could still qualify for \$193 million a year in tax credits and breaks from Wisconsin from 2019 to 2025 if it invests \$10 billion into work structures, per the contract.

From: Kelly Lietz [mailto:kelly.lietz@wedc.org]
Sent: Wednesday, January 30, 2019 2:29 PM

**To:** Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

Subject: RE: Re: Cost of Foxconn

Danielle,

The attached documents should answer your questions. The letter from Foxconn provides information on their performance to contract for 2018. Mark Hogan's response to this letter is also attached.

I've also included the Foxconn contract. Exhibits A and B provide the information you are seeking.

Kelly

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a> [inwisconsin.com]

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a> [inwisconsin.com]



**From:** Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

Sent: Wednesday, January 30, 2019 1:03 PM

**To:** Kelly Lietz < <u>kelly.lietz@wedc.org</u>> **Subject:** RE: Re: Cost of Foxconn

Thanks, Kelly. Could you please tell me how many jobs Foxconn created in Wisconsin in 2018 and where? Also: What would Foxconn have to do in order to qualify for state incentives this year? (And how much could the 2019 incentives be?)

From: Kelly Lietz [mailto:kelly.lietz@wedc.org]
Sent: Wednesday, January 30, 2019 2:02 PM

**To:** Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

**Subject:** RE: Re: Cost of Foxconn

Danielle,

I'm pitch-hitting for Mark Maley (health issues) on this, so I'm not sure I will be able to provide all of the information you are seeking. I would be happy to chat with you, but it is likely that I would have to take down your questions and get back to you with responses. Alternatively, you can email me your follow-up questions and I'll see what I can do.

Kelly

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703











Newsletters: <a href="http://inwisconsin.com/subscribe/finwisconsin.com/sub



**From:** Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

Sent: Wednesday, January 30, 2019 12:43 PM

**To:** Kelly Lietz < <u>kelly.lietz@wedc.org</u>> **Subject:** RE: Re: Cost of Foxconn

Thanks, Kelly. Could we hop on the phone for a background chat on the nuts and bolts?

From: Kelly Lietz [mailto:kelly.lietz@wedc.org]
Sent: Wednesday, January 30, 2019 1:28 PM

**To:** Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

**Subject:** RE: Re: Cost of Foxconn

# Statement from Wisconsin Economic Development Corporation Secretary & CEO Mark R. Hogan:

"Over the past 45 years, Foxconn's success has been based on the company's ability to foresee and adapt to technological advancements. Foxconn's long-term success both globally and within Wisconsin is centered around the alignment of its business model with ever-changing global

economic conditions, including evolving customer demands.

WEDC's performance-based contract with Foxconn provides the company the flexibility to make these business decisions, and at the same time, protects Wisconsin's taxpayers. As has been reported, Foxconn will not qualify for tax credits until, at the earliest, 2020, and then only if the company meets its annual job creation and capital investment requirements. Our ongoing discussions with company officials reflect Foxconn's continued commitment to the State of Wisconsin."

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

**To:** Mark Maley <mark.maley@wedc.org>

**Subject:** Re: Cost of Foxconn

Hi Mark,

Hope you're well. Are you hearing that Foxconn is no longer building in Wisconsin?

And if so, why not?
Please let me know!

From: Mark Hogan
To: Kelly Lietz
Subject: Re: Foxconn

Date: Wednesday, January 30, 2019 3:43:41 PM

Attachments: image001.png

image014.png image015.png image016.png image017.png image018.png

I will be unavailable for the next hour or so. I will call you when I free up

# Get Outlook for iOS

From: Kelly Lietz <kelly.lietz@wedc.org>
Sent: Wednesday, January 30, 2019 3:42 PM

**To:** Mark Hogan **Subject:** FW: Foxconn

I welcome your input on this. Feel free to call me if necessary.

Kelly

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Beck, Molly <MABeck@gannett.com> Sent: Wednesday, January 30, 2019 3:35 PM

To: Kelly Lietz <kelly.lietz@wedc.org>

Subject: Foxconn

Hi Kelly,

I hope you're doing well.

2017 Wisconsin Act 58 authorizes the creation of an electronics and information technology manufacturing zone. If Foxconn does not manufacture electronics or information technology, would it still be eligible for tax credits under this zone? If not, would it be eligible for other tax incentives?

Thanks, Molly

--

Molly Beck Capitol reporter Milwaukee Journal Sentinel

Cell:

Desk: (608) 258-2263 mabeck@gannett.com @mollybeck www.jsonline.com

journal sentinel

From: Kelly Lietz
To: Mark Hogan

Subject: FW: Re: Cost of Foxconn

**Date:** Wednesday, January 30, 2019 3:49:00 PM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image005.png image006.png image007.png image008.png image009.png image010.png image017.png image018.png image019.png image020.png image021.png image022.png image026.png image027.png image028.png image039.png image040.png image041.png image042.png image050.png image051.png image052.png image053.png image054.png

Can I share Foxconn's statement with her?

image055.png image056.png

We remain committed to the Wisconn Valley Science and Technology Park project, the creation of 13,000 jobs, and to our long-term investment in Wisconsin. As we have previously noted, the global market environment that existed when the project was first announced has changed. As our plans are driven by those of our customers, this has necessitated the adjustment of plans for all projects, including Wisconsin. While the project's focus will be adjusted to meet these new realities, the Wisconsin project remains a priority for our company.

Foxconn continues to actively consider opportunities for TFT technologies in terms of maximizing the positive impact of our Wisconsin project. We are broadening the base of our investment within the State of Wisconsin far beyond what we initially planned to ensure the company and our workforce will be positioned for long-term success.

In addition to our consideration of plans to produce traditional products such as television sets, we are also examining ways for Wisconsin's knowledge workers to promote research and development in advanced industrial internet technologies and produce high-tech applications and solutions for industries such as education, medical and healthcare, entertainment and sports, security, and smart cities.

We look forward to continued investment in American talent as we build the AI 8K + 5G ecosystem we are creating in Wisconsin and the US. Further updates will be shared in due course.

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Paquette, Danielle < Danielle.Paquette@washpost.com>

Sent: Wednesday, January 30, 2019 3:24 PM

**To:** Kelly Lietz <kelly.lietz@wedc.org> **Subject:** RE: Re: Cost of Foxconn

Kelly, another question: Did you guys get any statement from Foxconn today? I see the Times has one but the company has not responded to me.

From: Paquette, Danielle

Sent: Wednesday, January 30, 2019 3:53 PM

**To:** 'Kelly Lietz' < <u>kelly.lietz@wedc.org</u>>

Subject: RE: Re: Cost of Foxconn

Mark said it was fine either way, and I fear I'd really confuse readers if I suddenly name-swapped

From: Kelly Lietz [mailto:kelly.lietz@wedc.org]
Sent: Wednesday, January 30, 2019 3:52 PM

**To:** Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

**Subject:** RE: Re: Cost of Foxconn

You can attribute statement to Mark Hogan, if it's not too late...

Kelly Lietz
Vice President Mark

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703









You Tube

Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a> [inwisconsin.com]

Newsletters: <a href="http://inwisconsin.com/subscribe/[inwisconsin.com">http://inwisconsin.com/subscribe/[inwisconsin.com</a>]



**From:** Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

Sent: Wednesday, January 30, 2019 2:47 PM

**To:** Kelly Lietz < kelly.lietz@wedc.org> **Subject:** RE: Re: Cost of Foxconn

Thank you! And I deserve it for messing up your gender in my piece. Fixed, and thank you, Kelly!

From: Kelly Lietz [mailto:kelly.lietz@wedc.org]
Sent: Wednesday, January 30, 2019 3:41 PM

**To:** Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

**Subject:** RE: Re: Cost of Foxconn

Sorry...DANIELLE!

\*\*\*

Denise,

Your statement should be adjusted as follows:

The company could still qualify for \$193 million a year in tax credits for capital expenditures if they meet minimum job creation requirements stipulated in the contract. If Foxconn falls below the required job creation measure, the contract reduces the amount of tax credits that will be awarded for capital expenditures.

Kelly

Kelly Lietz
Vice President, Marketing and Brand Strategy
Wisconsin Economic Development Corporation











Newsletters: <a href="http://inwisconsin.com/subscribe/finwisconsin.com/">http://inwisconsin.com/subscribe/finwisconsin.com/</a>



From: Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

Sent: Wednesday, January 30, 2019 1:35 PM

**To:** Kelly Lietz < kelly.lietz@wedc.org> **Subject:** RE: Re: Cost of Foxconn

Thanks! Just for clarity, did I read the contract correctly on this? Don't want to publish anything inaccurate, and you guys know this better than I do:

The company could still qualify for \$193 million a year in tax credits and breaks from Wisconsin from 2019 to 2025 if it invests \$10 billion into work structures, per the contract.

From: Kelly Lietz [mailto:kelly.lietz@wedc.org]
Sent: Wednesday, January 30, 2019 2:29 PM

**To:** Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

Subject: RE: Re: Cost of Foxconn

Danielle,

The attached documents should answer your questions. The letter from Foxconn provides information on their performance to contract for 2018. Mark Hogan's response to this letter is also attached.

I've also included the Foxconn contract. Exhibits A and B provide the information you are seeking.

Kelly

Kelly Lietz

Newsletters: <a href="http://inwisconsin.com/subscribe/[inwisconsin.com/subscribe/[inwisconsin.com/subscribe/[inwisconsin.com/subscribe/[inwisconsin.com/subscribe/]">http://inwisconsin.com/subscribe/[inwisconsin.com/subscribe/]</a>



**From:** Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

Sent: Wednesday, January 30, 2019 1:03 PM

**To:** Kelly Lietz < kelly.lietz@wedc.org> **Subject:** RE: Re: Cost of Foxconn

Thanks, Kelly. Could you please tell me how many jobs Foxconn created in Wisconsin in 2018 and where? Also: What would Foxconn have to do in order to qualify for state incentives this year? (And

how much could the 2019 incentives be?)

From: Kelly Lietz [mailto:kelly.lietz@wedc.org]
Sent: Wednesday, January 30, 2019 2:02 PM

To: Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

Subject: RE: Re: Cost of Foxconn

Danielle,

I'm pitch-hitting for Mark Maley (health issues) on this, so I'm not sure I will be able to provide all of the information you are seeking. I would be happy to chat with you, but it is likely that I would have to take down your questions and get back to you with responses. Alternatively, you can email me your follow-up questions and I'll see what I can do.

Kelly

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703











Newsletters: <a href="http://inwisconsin.com/subscribe/[inwisconsin.com">http://inwisconsin.com/subscribe/[inwisconsin.com</a>]



**From:** Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

Sent: Wednesday, January 30, 2019 12:43 PM

**To:** Kelly Lietz < <u>kelly.lietz@wedc.org</u>> **Subject:** RE: Re: Cost of Foxconn

Thanks, Kelly. Could we hop on the phone for a background chat on the nuts and bolts?

From: Kelly Lietz [mailto:kelly.lietz@wedc.org]
Sent: Wednesday, January 30, 2019 1:28 PM

**To:** Paquette, Danielle < <u>Danielle.Paquette@washpost.com</u>>

**Subject:** RE: Re: Cost of Foxconn

# Statement from Wisconsin Economic Development Corporation Secretary & CEO Mark R. Hogan:

"Over the past 45 years, Foxconn's success has been based on the company's ability to foresee and adapt to technological advancements. Foxconn's long-term success both globally and within Wisconsin is centered around the alignment of its business model with ever-changing global economic conditions, including evolving customer demands.

WEDC's performance-based contract with Foxconn provides the company the flexibility to make these business decisions, and at the same time, protects Wisconsin's taxpayers. As has been reported, Foxconn will not qualify for tax credits until, at the earliest, 2020, and then only if the company meets its annual job creation and capital investment requirements. Our ongoing discussions with company officials reflect Foxconn's continued commitment to the State of Wisconsin."

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Hope you're well. Are you hearing that Foxconn is no longer building in Wisconsin? And if so, why not?
Please let me know!

 From:
 Kelly Lietz

 To:
 Mark Hogan

 Subject:
 FW: Foxconn

Date: Wednesday, January 30, 2019 4:02:52 PM

Attachments: <u>image002.png</u>

image003.png image004.png image005.png image006.png image007.png image009.png image010.png image011.png image013.png image013.png

Perhaps something along these lines (from Joel Brennan) would be the best response as we continue to assess the project:

"...other details about the continuing evolution of this project will require further review and evaluation by our team."

\*\*\*

I welcome your input on this. Feel free to call me if necessary.

Kelly

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Beck, Molly <MABeck@gannett.com> Sent: Wednesday, January 30, 2019 3:35 PM

To: Kelly Lietz <kelly.lietz@wedc.org>

Subject: Foxconn

Hi Kelly,

I hope you're doing well.

2017 Wisconsin Act 58 authorizes the creation of an electronics and information technology manufacturing zone. If Foxconn does not manufacture electronics or information technology, would it still be eligible for tax credits under this zone? If not, would it be eligible for other tax incentives?

Thanks, Molly

--

Molly Beck
Capitol reporter
Milwaukee Journal Sentinel
Cell: (608) 287-8412
Desk: (608) 258-2263
mabeck@gannett.com
@mollybeck
www.jsonline.com

# journal sentinel

From: <u>Tricia Braun</u>
To: <u>Kelly Lietz</u>

Subject: Re: Foxconn // Businessweek (urgent)
Date: Thursday, January 31, 2019 8:02:47 AM

Attachments: <u>image012.png</u>

image013.png image014.png image015.png image016.png

Yes. Mark will likely want to take the lead.

On Jan 31, 2019, at 7:58 AM, Kelly Lietz < kelly.lietz@wedc.org> wrote:

I'll need some guidance on the Businessweek story referenced below.

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858

<image012.png><image013.png><image014.png><image015.png><image016.png>

Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>

<image011.jpg>

From: Tricia Braun

**Sent:** Thursday, January 31, 2019 7:54 AM **To:** Kelly Lietz < kelly.lietz@wedc.org>

**Subject:** Re: Foxconn // Businessweek (urgent)

Hopefully, most of the inquiries can be handled by Maddie. The office being closed and the level of attention the Foxconn requests required created a bigger challenge.

On Jan 31, 2019, at 7:47 AM, Kelly Lietz < kelly.lietz@wedc.org > wrote:

I worry that I won't always be able to be as responsive as the role requires.

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858

<image012.png><image013.png><image014.png><image015.png><image016.png>

Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>

<image011.jpg>

From: Tricia Braun

**Sent:** Thursday, January 31, 2019 6:27 AM **To:** Kelly Lietz < kelly.lietz@wedc.org>

**Subject:** Re: Foxconn // Businessweek (urgent)

Yes, but right now we need your help. If it is a problem, let me know and we will figure something else out.

On Jan 30, 2019, at 6:50 PM, Kelly Lietz < kelly.lietz@wedc.org > wrote:

Do we have a plan for media relations going forward?

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

<image012.png><image013.png><image014.png><image015.png><image016.png>

Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>

#### <image011.jpg>

From: Kathie Colbert

**Sent:** Wednesday, January 30, 2019 5:51 PM **To:** Mark Hogan < <u>mark.hogan@wedc.org</u>> **Cc:** Kelly Lietz < kelly.lietz@wedc.org>

Subject: FW: Foxconn // Businessweek (urgent)

From: Austin Carr < <a href="mailto:austincarr@gmail.com">austincarr@gmail.com</a>
Sent: Wednesday, January 30, 2019 4:39 PM
To: Mark Maley <a href="mailto:mark.maley@wedc.org">mark.maley@wedc.org</a>
Subject: Re: Foxconn // Businessweek (urgent)

Hi Mark, hope you're well. This is Austin again, from Businessweek magazine -- as you'll recall, I've been working for the past number of months on a magazine feature about Foxconn's expansion into Wisconsin.

Just wanted to give you the heads-up that I'll be sending over a batch of fact-checking queries soon. We'll need them turned around as soon as possible -- thus I just wanted to give you advance notice, so you can begin making arrangements with the necessary people who will need to get eyes on this fact-checking.

Thanks for your help.

Best, Austin From: Kelly Lietz
To: Tricia Braun

Subject: RE: Foxconn // Businessweek (urgent)
Date: Thursday, January 31, 2019 8:22:00 AM

Attachments: image001.png

image002.png image003.png image004.png image005.png image006.png image007.png image008.png image009.png image010.png

I could offer some perspective on the longer term plan...

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Tricia Braun

**Sent:** Thursday, January 31, 2019 8:21 AM **To:** Kelly Lietz <kelly.lietz@wedc.org>

Subject: RE: Foxconn // Businessweek (urgent)

I spoke with Mark on this one; we'll determine how to handle once we see the questions from the reporter.

He's also working on the longer-term plan, just FYI.

From: Kelly Lietz

**Sent:** Thursday, January 31, 2019 7:47 AM **To:** Tricia Braun < <a href="mailto:tricia.braun@wedc.org">tricia.braun@wedc.org</a> **Subject:** RE: Foxconn // Businessweek (urgent)

I worry that I won't always be able to be as responsive as the role requires.

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Tricia Braun

**Sent:** Thursday, January 31, 2019 6:27 AM **To:** Kelly Lietz < kelly.lietz@wedc.org >

**Subject:** Re: Foxconn // Businessweek (urgent)

Yes, but right now we need your help. If it is a problem, let me know and we will figure something else out.

On Jan 30, 2019, at 6:50 PM, Kelly Lietz < kelly.lietz@wedc.org > wrote:

Do we have a plan for media relations going forward?

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858

<image012.png> <image013.png> <image014.png> <image015.png> <image016.png>

Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>

<image011.jpg>

From: Tricia Braun **Kelly Lietz** To:

Subject: RE: Foxconn // Businessweek (urgent) Date: Thursday, January 31, 2019 8:40:24 AM

Attachments: image001.png

image002.png image003.png image004.png image005.png image006.png image007.png image008.png image009.png image010.png image022.png image023.png image024.png image025.png image026.png image027.png

Call me anytime this morning; I don't have any scheduled meetings or calls until this afternoon.

From: Kelly Lietz

Sent: Thursday, January 31, 2019 8:39 AM To: Tricia Braun <tricia.braun@wedc.org> **Subject:** RE: Foxconn // Businessweek (urgent)

I'll seek an opportunity to talk to you about this, rather than continue the dialogue through email.

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Tricia Braun

**Sent:** Thursday, January 31, 2019 8:34 AM **To:** Kelly Lietz < kelly.lietz@wedc.org>

**Subject:** RE: Foxconn // Businessweek (urgent)

Feel free to reach out to Mark; however, he seems pretty set with his plan.

From: Kelly Lietz

**Sent:** Thursday, January 31, 2019 8:22 AM **To:** Tricia Braun < <a href="mailto:tricia.braun@wedc.org">tricia.braun@wedc.org</a> **Subject:** RE: Foxconn // Businessweek (urgent)

I could offer some perspective on the longer term plan...

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858

From: Kelly Lietz
To: Tricia Braun

Subject: RE: FOR REVIEW: Article for Western Builder magazine featuring WVSTP project

**Date:** Thursday, January 31, 2019 9:01:00 AM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image005.png image006.png image007.png image008.png image009.png image010.png

I will make those changes and resubmit.

Kelly

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Tricia Braun

**Sent:** Thursday, January 31, 2019 9:00 AM **To:** Kelly Lietz <kelly.lietz@wedc.org>

Subject: RE: FOR REVIEW: Article for Western Builder magazine featuring WVSTP project

Last sentence of paragraph 2: Perhaps change: "needed to support a new manufacturing ecosystem." To: "needed to support an advanced technology ecosystem"?

Change photo caption to read:

Photo 1:

The first building of Foxconn Technology Group's planned \$10 billion *campus* in Mount Pleasant, Wisconsin, was completed in early 2019. When fully operational in 2020, the Wisconn Valley Science & Technology Park is expected to create 13,000 direct jobs and tens of thousands of indirect jobs in Wisconsin. Photo courtesy of Curtis Waltz/aerialscapes.com.

From: Kelly Lietz

**Sent:** Thursday, January 31, 2019 8:52 AM **To:** Tricia Braun < <a href="mailto:tricia.braun@wedc.org">tricia.braun@wedc.org</a>>

Subject: RE: FOR REVIEW: Article for Western Builder magazine featuring WVSTP project

The attached is a story that I recently sent to Business Expansion magazine (with your approval). Any adjustments needed to this?

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858

From: Kathie Colbert

Sent: Thursday, January 31, 2019 8:33 AM

To: Kelly Lietz < kelly.lietz@wedc.org>; Tricia Braun < tricia.braun@wedc.org>

Subject: FW: FOR REVIEW: Article for Western Builder magazine featuring WVSTP project

From Mark M's inbox

Kathie

**From:** Erica Bender < <u>erica@elevated-expressions.com</u>>

**Sent:** Thursday, January 31, 2019 8:09 AM **To:** Mark Maley <a href="mark.maley@wedc.org">mark.maley@wedc.org</a>>

Subject: FOR REVIEW: Article for Western Builder magazine featuring WVSTP project

Good Morning, Mark.

I spoke with you a couple of weeks ago about an article I'm working on that features the WVSTP project. The rough draft is now complete, which I've attached in case you'd like to review it and check for errors.

I would also like to include brief commentary (1-3 sentences) from you concerning how this impactful project will boost jobs/economy in Wisconsin. (The placeholder for this statement is shown on page 4 in red text.)

This article is due to the publisher on **Monday, Feb. 4**, so I will need your commentary and feedback by then. Thanks so much!

\*SPECIAL NOTE: I am also sending this article to James Madlam at Mueller Communications to review.

--

Kind Regards,

Erica Bender

erica@elevated-expressions.com

M:

From: Mark Hogan

To: Kelly Lietz; Tricia Braun

Cc: <u>Jela Trask</u>
Subject: Re: Nikkei report

**Date:** Thursday, January 31, 2019 9:09:40 AM

Attachments: <u>image001.png</u>

image014.png image015.png image016.png image017.png image018.png

I am now working directly with the Gov's office on this & will respond directly to Molly if that is the guidance I receive.

# Get Outlook for iOS

From: Mark Hogan <mark.hogan@wedc.org> Sent: Thursday, January 31, 2019 8:30 AM

To: Kelly Lietz; Tricia Braun

Cc: Jela Trask

Subject: Re: Nikkei report

I will respond with something by 9:30.

#### Get Outlook for iOS

From: Kelly Lietz <kelly.lietz@wedc.org>
Sent: Thursday, January 31, 2019 8:23 AM

To: Mark Hogan; Tricia Braun

Cc: Jela Trask

Subject: FW: Nikkei report

See below.

Kelly Lietz

Vice President, Marketing and Brand Strategy
Wisconsin Economic Development Corporation

201 W. Washington Avenue

Madison, WI 53703

Ph: 608.210.6858









Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Beck, Molly <MABeck@gannett.com>

Sent: Thursday, January 31, 2019 8:13 AM

**To:** Kelly Lietz <kelly.lietz@wedc.org>

Subject: Nikkei report

Hi Kelly,

Nikkei Asian Review is reporting today, citing anonymous sources and documents, that Foxconn is suspending and scaling back its project in Wisconsin as a result of slumping Apple sales and also because of negotiations with Gov. Tony Evers. The report said Gov. Ever sought to re-negotiate "side deals" Gov. Walker made with Foxconn. Would you like to respond to this? Which elements of the project did Gov. Evers seek to negotiate? Was WEDC involved?

Here's the story: <a href="https://asia.nikkei.com/Economy/Trade-War/Foxconn-suspends-20bn-in-US-and-China-projects-on-growth-fears">https://asia.nikkei.com/Economy/Trade-War/Foxconn-suspends-20bn-in-US-and-China-projects-on-growth-fears</a>

Thanks!

Molly

--

Molly Beck

 From:
 Mark Hogan

 To:
 Beck, Molly

 Cc:
 Kelly Lietz

 Subject:
 RE: Nikkei report

**Date:** Thursday, January 31, 2019 10:03:19 AM

Attachments: <u>image004.png</u>

Thank you, Molly, that means a lot to all of us. It is a very difficult time, but the level of support Mark has received has buoyed our spirits as well. Thank you again, I do appreciate it. - Mark

From: Beck, Molly <MABeck@gannett.com>
Sent: Thursday, January 31, 2019 9:58 AM
To: Mark Hogan <mark.hogan@wedc.org>
Cc: Kelly Lietz <kelly.lietz@wedc.org>

Subject: RE: Nikkei report

Thanks, Mark – much appreciated.

On another note, I just wanted to express my sincerest condolences about Mark. He was such a pleasure to work with and is a wonderful man. Everyone at the JS is very sad about the news. I wish everyone there the best.

From: Mark Hogan [mailto:mark.hogan@wedc.org]

**Sent:** Thursday, January 31, 2019 9:56 AM **To:** Beck, Molly < <u>MABeck@gannett.com</u>> **Cc:** Kelly Lietz < <u>kelly.lietz@wedc.org</u>>

Subject: FW: Nikkei report

Hi Molly,

Kelly forwarded your email to me and I would offer the following comments. Thanks. - Mark

"I have been involved with the Foxconn project from day one and there never have been any side deals and the contract stands on its own. In addition, there have been no attempts by either the company or the Evers' or Walker administrations to renegotiate WEDC's contract.

Governor Evers and his administration have done a very good job of reaching out to company officials and developing a relationship that will protect our taxpayers' interests and at the same time, give Foxconn the ability to be successful in Wisconsin."

Mark R. Hogan Secretary & CEO Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703 (w) 608-210-6756

Website: http://inwisconsin.com

Twitter: <a href="http://twitter.com/InWisconsin">http://twitter.com/InWisconsin</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Beck, Molly <

**Sent:** Thursday, January 31, 2019 8:13 AM **To:** Kelly Lietz < kelly.lietz@wedc.org >

**Subject:** Nikkei report

Hi Kelly,

Nikkei Asian Review is reporting today, citing anonymous sources and documents, that Foxconn is suspending and scaling back its project in Wisconsin as a result of slumping Apple sales and also because of negotiations with Gov. Tony Evers. The report said Gov. Ever sought to re-negotiate "side deals" Gov. Walker made with Foxconn. Would you like to respond to this? Which elements of the project did Gov. Evers seek to negotiate? Was WEDC involved?

Here's the story: <a href="https://asia.nikkei.com/Economy/Trade-War/Foxconn-suspends-20bn-in-US-and-China-projects-on-growth-fears">https://asia.nikkei.com/Economy/Trade-War/Foxconn-suspends-20bn-in-US-and-China-projects-on-growth-fears</a>

Thanks! Molly

--

Molly Beck Capitol reporter Milwaukee Journal Sentinel

Desk: (608) 258-2263 mabeck@gannett.com

@mollybeck www.jsonline.com

journal sentinel

From: <u>Tricia Braun</u>

To: Mark Hogan; Kelly Lietz

Subject: RE: Is Foxconn suspending/changing plans?

Date: Thursday, January 31, 2019 10:08:03 AM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image005.png image012.png image013.png image014.png image015.png image016.png

Perfect. Nicely done.

From: Mark Hogan

Sent: Thursday, January 31, 2019 10:06 AM

To: Kelly Lietz <kelly.lietz@wedc.org>; Tricia Braun <tricia.braun@wedc.org>

**Subject:** RE: Is Foxconn suspending/changing plans?

Thanks, Kelly. I have provided my response to Molly Beck and also to Rich Kirchen at the Milwaukee Business Journal. Here is my response which can be shared with anyone else inquiring about the JS article. Thanks.

"I have been involved with the Foxconn project from day one and there never have been any side deals and the contract stands on its own. In addition, there have been no attempts by either the company or the Evers' or Walker administrations to renegotiate WEDC's contract.

Governor Evers and his administration have done a very good job of reaching out to company officials and developing a relationship that will protect our taxpayers' interests and at the same time, give Foxconn the ability to be successful in Wisconsin."

From: Kelly Lietz

Sent: Thursday, January 31, 2019 9:32 AM

To: Tricia Braun < <a href="mailto:tricia.braun@wedc.org">tricia.braun@wedc.org</a>; Mark Hogan < <a href="mailto:mark.hogan@wedc.org">mark.hogan@wedc.org</a>>

**Subject:** FW: Is Foxconn suspending/changing plans?

FYI.

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



**From:** Racine County Eye < racinecountyeye@gmail.com>

Sent: Thursday, January 31, 2019 9:42 AM

**To:** Boyle, MT < MT.Boyle@racinecounty.com >; Kelly Lietz < kelly.lietz@wedc.org >; GOV Press

<<u>GOVPress@wisconsin.gov</u>>

**Subject:** Is Foxconn suspending/changing plans?

Can you give me a sense of where things stand in light of this story by the JS saying it's suspending work?

https://www.jsonline.com/story/news/politics/2019/01/31/report-foxconn-suspending-workwisconsin-plant/2730092002/?

fbclid=IwAR2TRAIRgooBDd0RikAMQ1MHYuxNicM85bLlXgICYhBhzlEg\_uCbWAbIzJQ

Employers: List your jobs locally or nationally on the Racine County Eye news website today on our jobs board.

Thank you, Denise Lockwood CEO of the Racine County Eve

The Nikkei story comes after Woo's statement and cites documentation the publication has received

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858

Website: https://mail/safelinks.protection.ontlook.com?
url+https://mail/safelinks.protection.ontlook.com?

-----Original Message-----From: Kelly Lietz Sent: Thursday, January 31, 2019 10:23 AM To: Mark Hogan cmark hogan@wcdc.org>: Tricia Braun <tricia.braun@wcdc.org> Subject: FW: Response to Nikled shall Review article

See below. This and other questions I'm getting relate to the "suspension of work". We need a response to that.

Kelly

Kelly Lietz
Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation
201 W. Washington Avenue
Madison, WI 53703

Ph: 608.210.6858

Website: https://mail.safelinks.protection.outlook.com/?
url-but/ps://mail.safelinks.protection.outlook.com/?

------Original Message-----From: Riley Vetterkind «RVetterkind madison.com> Sent: Thursday, January 31, 2019 10:08 AM To: Kelly Lietz «kelly lietz @wedc.org» C:: Mark Maley «mark.maley @wedc.org» Subject: Response to Nikkei Asian Review article

Hi Kelly,

Riley Vetterkind with the State Journal. As I'm sure you've seen, Nikkei Asian Review is reporting Foxcoan is planning to suspend work on its Wisconsin factory and scale back plans after negotiating with Gov. Tony Evers.

Here's a link to the article: https://mi01.safelinks.protection.outlook.com/vurl=https://safe.https://mi01.safelinks.protection.outlook.com/vurl=https://safe.https://mi01.safelinks.protection.outlook.com/vurl=https://safe.http

Is it your understanding that the assertion work on the factory has been suspended is true?

Have there been any attempts by the Walker or Evers administration to change the contract with Foxconn or otherwise accommodate the company's shifting plans?

Does the provision in the GOP lame duck law preventing Evers from appointing the WEDC CEO for nine months have anything to do with ongoing negotiations with Foxconn?

Let me know if there's anything else about the latest Nikkei latest story that is correct or incorrect.

Riley

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, Wi 53703

Ph: 608.210.6858

fi y in ⊙ ä

Website: http://inwisconsin.com Newsletters: http://inwisconsin.com



From: Mark Hogan
Sent: Thursday, January 31, 2019 10:27 AM
To: Tricia Braun critica braun@wedc.orgo, Kelly Lietz -kelly.lietz@wedc.orgo
Subject: Re: Response to Nikkei Asian Review article

Lagree. This is for the company to comment on & Lwould refer inquiries to the press release they issued yesterday

From: Tricia Braun < tricia braun@wedc.org>
Sent: Thursday, January 31, 2019 10:25 AM
To: Kelly Lietz; Mark Hogan
Subject: RE: Response to Nikkei Aslan Review article

Doesn't Woo's statement address that claim?

----Original Message---From: Kelly Lietz
Sent: Thursday, January 31, 2019 10:23 AM
Sent: Thursday, January 31, 2019 10:23 AM
To: Mark Hogan Great hogan@wedc.orp>, Tricia Braun <a href="https://lieuropen.org/lieuropen.org/">https://lieuropen.org/</a>
Subject: FW: Response to Nikkel Aslan Review article

See below. This and other questions I'm getting relate to the "suspension of work". We need a response to that.

Kelly

Kelly Lietz
Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation
201 W. Washington Avenue
Madison, WI 53703

Ph: 608.210.6858

Hi Kelly.

Riley Vetterkind with the State Journal. As I'm sure you've seen, Nikkei Asian Review is reporting Foxconn is planning to suspend work on its Wisconsin factory and scale back plans after negotiating with Gov. Tony Evers.

Here's a link to the article: <a href="https://na01.safelinks.protection.outlook.com/runishttps/\$34852P\$2Fasia.nikei.com%2FEconom%2FTrade-War%2FEoconn-2-20th-projects-in-US-and-China-hit-by-growth-fearsk-amp.data=07%7C01%7Cmark-hogan%40wedx.org%7C-30d/38e90a4a2099208d687798b6b6%7Ca4d0x6039c7fd/298b8qx08c1a8eb571%7C0%7C0%7C636845487298106319&amp.sdata=mDAWp9x55

Is it your understanding that the assertion work on the factory has been suspended is true?

Have there been any attempts by the Walker or Evers administration to change the contract with Foxconn or otherwise accommodate the company's shifting plans?

Does the provision in the GOP lame duck law preventing Evers from appointing the WEDC CEO for nine months have anything to do with ongoing negotiations with Foxconn?

Let me know if there's anything else about the latest Nikkei latest story that is correct or incorrect.

Thanks,

From: Kelly Lietz

To: Madeline Morgan; Mark Hogan; Tricia Braun
Subject: RE: CNN Reporter Inquiry Foxconn
Date: Thursday, January 31, 2019 10:33:00 AM

Attachments: <u>image007.png</u>

image008.png image019.png image011.png image018.png image019.png image020.png image021.png image021.png image001.png image002.png image003.png image004.png image004.png image004.png

I will follow up with her.

Kelly Lietz Vice President, Ma

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Madeline Morgan

Sent: Thursday, January 31, 2019 10:33 AM

**To:** Kelly Lietz <kelly.lietz@wedc.org>; Mark Hogan <mark.hogan@wedc.org>; Tricia Braun

<tricia.braun@wedc.org>

**Subject:** CNN Reporter Inquiry Foxconn

Hi all,

Just got a call from Vanessa Yurkevich, a reporter at CNN. She was trying to connect with Mark Maley on facilitating an interview with Mark Hogan today regarding Foxconn.

Here's her contact info:

vanessa.yurkevich@turner.com

Office: (212) 275-7996 Cell:

I told her it might be difficult to facilitate an interview today, but that someone would follow back up with her.

Thanks,
Madeline Morgan
Communications Division
Wisconsin Economic Development Corporation
201 W. Washington Ave
Madison, WI 53703

Ph: 608.210.6883



Website: http://inwisconsin.com

Newsletters: http://inwisconsin.com/subscribe/



From: <u>Tricia Braun</u>

To: <u>Kelly Lietz</u>; <u>Mark Hogan</u>

Subject: RE: FW: Foxconn // Businessweek // Fact-checking pt. 1 (urgent)

**Date:** Thursday, January 31, 2019 10:38:16 AM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image005.png image006.png image007.png image008.png image009.png image010.png image017.png

#### Mark -

Assuming you want to take the lead on this, but let us know if you need any assistance and/or bringing Jenn in on anything.

From: Kelly Lietz

Sent: Thursday, January 31, 2019 10:33 AM

To: Tricia Braun <tricia.braun@wedc.org>; Mark Hogan <mark.hogan@wedc.org>

**Subject:** FW: FW: Foxconn // Businessweek // Fact-checking pt. 1 (urgent)

FYI. They are asking for responses by EOD Friday.

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



**From:** Austin Carr < <u>austincarr@gmail.com</u>> **Sent:** Thursday, January 31, 2019 10:29 AM

**To:** Kelly Lietz < <u>kelly.lietz@wedc.org</u>>

**Subject:** Re: FW: Foxconn // Businessweek // Fact-checking pt. 1 (urgent)

Hi Kelly, nice to meet you via email, and thanks for your help on this.

As promised, I'm sending over the fact-checking to you for our upcoming magazine story on Foxconn's expansion into Wisconsin. The attached document represents the vast majority of our fact-checking queries. I know it looks like a lot, but a portion of this has already been confirmed elsewhere, and a number of other queries should be self-explanatory. If you could please go through and confirm our fact-checking queries, paying close attention to spellings, dates, numbers, etc., that'd be greatly appreciated. I've also included some broad strokes around what our story suggests toward the end of the document, so you have a heads-up about the overall findings of our reporting, in case you'd like to provide a statement.

For any clarifications/statements, please make annotations in-line in a different color font -- it's usually more digestible that way. We also ask that you confirm or comment next to the fact-checking queries (rather than rewriting them, if that makes sense). For any included comments/statements, we're assuming they're attributable to a WEDC spokesperson, unless otherwise stated.

We're under some deadline pressure, and need these responses back by Friday EOD. There may be some smaller follow-ups we send over later, but we can handle those in the days ahead. Happy to hop on the phone to talk through any of this stuff, if helpful.

Thanks again for your time.

Best, Austin

On Wed, Jan 30, 2019 at 7:49 PM Kelly Lietz < kelly.lietz@wedc.org > wrote:

Austin,

Please send your queries to me.

Kelly

Kelly Lietz

Vice President, Marketing and Brand Strategy

Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858



Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Kathie Colbert

**Sent:** Wednesday, January 30, 2019 5:51 PM **To:** Mark Hogan <a href="mark.hogan@wedc.org">mark.hogan@wedc.org</a> **Cc:** Kelly Lietz <a href="mailto:kelly.lietz@wedc.org">kelly.lietz@wedc.org</a>

**Subject:** FW: Foxconn // Businessweek (urgent)

From: Austin Carr <a windows 
Sent: Wednesday, January 30, 2019 4:39 PM
To: Mark Maley <a windows with a series of the series o

Hi Mark, hope you're well. This is Austin again, from Businessweek magazine -- as you'll recall, I've been working for the past number of months on a magazine feature about Foxconn's expansion into Wisconsin.

Just wanted to give you the heads-up that I'll be sending over a batch of fact-checking queries soon. We'll need them turned around as soon as possible -- thus I just wanted to give you advance notice, so you can begin making arrangements with the necessary people who will need to get eyes on this fact-checking.

Thanks for your help.

Best, Austin From: <u>Tricia Braun</u>

To: <u>Kelly Lietz</u>; <u>Madeline Morgan</u>

Cc: Mark Hogan

Subject: RE: WKOW Reporter Inquiry Foxconn

Date: Thursday, January 31, 2019 10:42:00 AM

Attachments: <u>image006.png</u>

image007.png image008.png image010.png image011.png image012.png image013.png image014.png image015.png image017.png image019.png image019.png image020.png image021.png

Thanks, Kelly. And thanks for passing along these inquires, Maddie.

From: Kelly Lietz

Sent: Thursday, January 31, 2019 10:41 AM

To: Madeline Morgan <madeline.morgan@wedc.org>

Cc: Mark Hogan <mark.hogan@wedc.org>; Tricia Braun <tricia.braun@wedc.org>

Subject: RE: WKOW Reporter Inquiry Foxconn

I will handle this one, too.

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Madeline Morgan

Sent: Thursday, January 31, 2019 10:36 AM

**To:** Kelly Lietz < <u>kelly.lietz@wedc.org</u>>

**Cc:** Mark Hogan < mark.hogan@wedc.org >; Tricia Braun < tricia.braun@wedc.org >

Subject: WKOW Reporter Inquiry Foxconn

Hi again,

Just got another reporter call from Emilee Fannon at WKOW. She's working on a story for Foxconn today and is also doing a TV segment tomorrow where she invited Mark Hogan to be an on air guest.

Here's her contact information:

Emilee Fannon

efannon@wkow.com

Thanks, Madeline Morgan Communications Division Wisconsin Economic Development Corporation 201 W. Washington Ave Madison, WI 53703

Ph: 608.210.6883









Website: http://inwisconsin.com

Newsletters: http://inwisconsin.com/subscribe/



From: <u>Tricia Braun</u>

To: Kathie Colbert; Mark Hogan; Kelly Lietz

Subject: RE: From Corky Siemaszko/NBC News Digital

Date: Thursday, January 31, 2019 10:49:31 AM

Max? That's new.

From: Kathie Colbert

Sent: Thursday, January 31, 2019 10:47 AM

**To:** Mark Hogan <mark.hogan@wedc.org>; Kelly Lietz <kelly.lietz@wedc.org>; Tricia Braun

<tricia.braun@wedc.org>

**Subject:** FW: From Corky Siemaszko/NBC News Digital

From MM inbox

From: Siemaszko, Corky (NBCUniversal) < <a href="mailto:Corky.Siemaszko@nbcuni.com">Corky.Siemaszko@nbcuni.com</a>>

**Sent:** Thursday, January 31, 2019 10:42 AM **To:** Mark Maley < <u>mark.maley@wedc.org</u>>

**Subject:** From Corky Siemaszko/NBC News Digital

Good morning Mark Maley.

Quick Foxconn question: Did Max Hogan make the remarks reported by the Milwaukee Journal Sentinel at a press conference or are they contained in a press release of some kind?

Here is the link and the remarks:

"I have been involved with the Foxconn project from day one and there never have been any side deals and the contract stands on its own," Hogan said Thursday. "In addition, there have been no attempts by either the company or the Evers' or Walker administrations to renegotiate WEDC's contract."

He said Evers and his administration "have done a very good job of reaching out to company officials and developing a relationship that will protect our taxpayers' interests and at the same time, give Foxconn the ability to be successful in Wisconsin."

https://www.jsonline.com/story/news/politics/2019/01/31/report-foxconn-suspending-work-wisconsin-plant/2730092002/

If they were in a release, I would appreciate you emailing me a copy. If those remarks were live, please let me know and I will attribute to the MJS. And if there is anything else Mr. Hogan

wanted to add, feel free to send that my way as well.

Thanks and stay warm.

Corky Siemaszko NBC News Digital (212)413-5779 From: Mark Hogan

To: Kelly Lietz; Tricia Braun
Subject: Re: Foxconn Inquiry

**Date:** Thursday, January 31, 2019 11:02:20 AM

Attachments: image006.png

image007,png image008,png image009,png image010,png image023,png image024,png image025,png image026,png image027,png image028,png

WEDC will not be doing any interviews on Foxconn this week. I have talked with a couple of people on background, but that is it.

## Get Outlook for iOS

From: Kelly Lietz <kelly.lietz@wedc.org>
Sent: Thursday, January 31, 2019 10:56 AM

**To:** Mark Hogan; Tricia Braun **Subject:** FW: Foxconn Inquiry

Local interview request below. Let me know how you want to respond.

Kelly Lietz
Vice President, Marketing and Brand Strategy
Wisconsin Economic Development Corporation
201 W. Washington Avenue
Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: http://inwisconsin.com/subscribe/



**From:** Emilee Fannon <efannon@wkow.com> **Sent:** Thursday, January 31, 2019 10:48 AM

To: Kelly Lietz <kelly.lietz@wedc.org>

Subject: Re: Foxconn Inquiry

Hi Kelly,

I see Mark Hogan just talked to AP, looking to see if he's available today for an interview? I also host a weekly political talk show, Capital City Sunday, was wondering his schedule tomorrow to come on as well (Friday).

Let me know if doable, thanks!

## **Emilee Fannon**

Capitol Bureau Chief | WKOW - TV 5727 Tokay Blvd. Madison, WI 53719

Newsroom: 608-271-2118
Email: efannon@wkow.com
Twitter: @Emilee WKOW



From: Kelly Lietz < kelly.lietz@wedc.org>

Sent: Thursday, January 31, 2019 10:45:31 AM

To: Emilee Fannon

**Subject:** Foxconn Inquiry

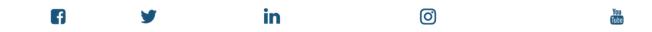
Emilee,

I received a message that you had reached out regarding a Foxconn story you are working on. How can we assist?

## Kelly

Kelly Lietz Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858



Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



Quincy Media, Inc. and its subsidiaries do not discriminate in the sale of advertising in any medium (broadcast, print, or interactive), and will accept no advertising which is placed with an intent to discriminate on the basis of race or ethnicity.

From: Mark Hogan

To: <u>Kelly Lietz; Tricia Braun</u>
Subject: Fwd: New York Times inquiry

**Date:** Thursday, January 31, 2019 11:02:40 AM

## Get Outlook for iOS

From: Kitroeff, Natalie < Natalie.Kitroeff@nytimes.com>

Sent: Thursday, January 31, 2019 10:59:27 AM

To: Mark Hogan

**Subject:** New York Times inquiry

Hi Mr. Hogan,

Natalie here, I'm a business reporter at the Times, working on a story about the Foxconn project, and the strange report in Nikkei about it being scaled back. Everyone is telling me you're the person to talk to on this. Do you have time to chat today? My cell is

Thanks so much

Natalie

--

Natalie Kitroeff

Reporter

office: 212.556.3717

cell:

 From:
 Kelly Lietz

 To:
 Mark Hogan

 Cc:
 Tricia Braun

 Subject:
 RE: misc

**Date:** Thursday, January 31, 2019 12:04:00 PM

Attachments: <u>image002.png</u>

image003.png image004.png image005.png image006.png image014.png image015.png image016.png image017.png

Okay.

Kelly Lietz

Vice President, Marketing and Brand Strategy Wisconsin Economic Development Corporation 201 W. Washington Avenue Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: Mark Hogan

Sent: Thursday, January 31, 2019 12:00 PMTo: Kelly Lietz <kelly.lietz@wedc.org>Cc: Tricia Braun <tricia.braun@wedc.org>

Subject: Fwd: misc

Kelly - fyi, Melissa Bauldauff (who heads up the Evers' communications team) may be reaching out

to you directly to find out who else we have given today's response to. Thanks. - Mark Get Outlook for iOS

From: Baldauff, Melissa - GOV < melissa.baldauff@wisconsin.gov >

Sent: Thursday, January 31, 2019 11:44 AM

**To:** Mark Hogan **Subject:** Re: misc

Do you know if this went out more widely? Some other reporters are looking for it and have not received. Who from your team can I connect them with?

From: Mark Hogan < mark.hogan@wedc.org > Sent: Thursday, January 31, 2019 9:46:30 AM

**To:** Baldauff, Melissa - GOV

Subject: misc

Here is my response to the JS article. The MBJ also reached out and I will provide a similar response to them.

"I have been involved with the Foxconn project from day one and there never have been any side deals and the contract stands on its own. In addition, there have been no attempts by either the company or the Evers' or Walker administrations to renegotiate WEDC's contract. Governor Evers and his administration have done a very good job of reaching out to company officials and developing a relationship that will protect our taxpayers' interests and at the same time, give Foxconn the ability to be successful in Wisconsin."

Mark R. Hogan
Secretary & CEO
Wisconsin Economic Development Corporation
201 W. Washington Avenue
Madison, WI 53703
(w) 608-210-6756

Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Twitter: <a href="http://twitter.com/InWisconsin">http://twitter.com/InWisconsin</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: <u>Katy Sinnott</u>
To: <u>Mark Hogan</u>

Subject: FW: Gov. Tony Evers, Foxconn say Wisconsin project moving forward

**Date:** Friday, February 1, 2019 10:21:13 AM

Attachments: <u>image013.png</u>

image014.png image015.png image016.png image017.png image018.png

I did send the links. Do you prefer that I send all further communication on this topic to Kelly?

#### **Katy Sinnott**

Vice President, International Business Development Division – State of Wisconsin Wisconsin Economic Development Corporation

201 W Washington Ave | Madison, WI. 53703

+1-608-210-6838



Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Twitter: http://twitter.com/ln Wisconsin

Newsletters: http://inwisconsin.com/subscribe/



From: Mark Hogan

Sent: Friday, February 1, 2019 10:20 AM

**To:** C.S. Cheng < Chin-Sung @chicagocd.org>; Katy Sinnott < katy.sinnott@wedc.org>

**Cc:** Khay Khong <khay.khong@wedc.org>; Henry Ting < Henry @chicagocd.org>; Maggie Tong

Maggie @chicagocd.org>; Kelly Lietz <kelly.lietz@wedc.org>

Subject: Re: Gov. Tony Evers, Foxconn say Wisconsin project moving forward

Good morning. I am forwarding your request to Kelly Lietz (WEDC's VP of Marketing & Brand Strategy) & he will provide our official responses from the past couple of days. Have a great weekend. - Mark

Get Outlook for iOS

From: Katy Sinnott

To: <u>C.S. Cheng; Mark Hogan</u>
Cc: <u>Henry Ting; Maggie Tong</u>

Subject: RE: Gov. Tony Evers, Foxconn say Wisconsin project moving forward

**Date:** Friday, February 1, 2019 10:19:49 AM

Attachments: image002.png

image004.png image006.png image008.png image010.png image012.png

Hello C.S.,

Thank you for your email and call. Here are several links on the topic of Foxconn.

WEDC statement: <a href="https://www.wispolitics.com/2019/wedc-statement-from-mark-r-hogan-secretary-and-ceo/">https://www.wispolitics.com/2019/wedc-statement-from-mark-r-hogan-secretary-and-ceo/</a>

Foxconn statement: <a href="https://www.wispolitics.com/2019/foxconn-technology-group-statement-2/">https://www.wispolitics.com/2019/foxconn-technology-group-statement-2/</a> Whitehouse statement: <a href="https://journaltimes.com/news/local/white-house-official-comments-on-foxconn-plans/article\_f382cbda-733b-509f-b904-35f684c5d5c6.html">https://journaltimes.com/news/local/white-house-official-comments-on-foxconn-plans/article\_f382cbda-733b-509f-b904-35f684c5d5c6.html</a>

Kind regards,

Katy

#### **Katy Sinnott**

Vice President, International Business Development Division – State of Wisconsin Wisconsin Economic Development Corporation

201 W Washington Ave | Madison, WI. 53703

+1-608-210-6838



Website: http://inwisconsin.com

Twitter: <a href="http://twitter.com/In\_Wisconsin">http://twitter.com/In\_Wisconsin</a>
Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: C.S. Cheng < Chin-Sung @chicagocd.org>
Sent: Friday, February 1, 2019 10:12 AM

To: Katy Sinnott <katy.sinnott@wedc.org>; Mark Hogan <mark.hogan@wedc.org>

**Cc:** Khay Khong <khay.khong@wedc.org>; Henry Ting < Henry @chicagocd.org>; Maggie Tong

Maggie @chicagocd.org>

From: <u>C.S. Cheng</u>
To: <u>Kelly Lietz</u>

Subject: Re: FW: Gov. Tony Evers, Foxconn say Wisconsin project moving forward

**Date:** Friday, February 1, 2019 11:05:09 AM

Attachments: <u>image012.png</u>

image013.png image014.png image015.png image016.png

# Kelly,

Thank you very much. It is very helpful. Had Gov Tony Evers made any statement? Could I have a copy?

#### 鄭錦松

經濟組組長

駐芝加哥台北經濟文化辦事處

**Chin-Sung Cheng** 

Director, Economic Division

Taipei Economic and Cultural Office in Chicago

Tel: +1-Cell:+1-

Email: Chin-Sung @chicagocd.org

Address: 55 West Wacker Drive, Suite 1200, Chicago, IL 60601, USA

Kelly Lietz < kelly.lietz@wedc.org>於 2019年2月1日 週五 上午10:51寫道:

C.S.,

Here is Foxconn's statement from Wednesday: <a href="https://www.wispolitics.com/2019/foxconn-technology-group-statement/">https://www.wispolitics.com/2019/foxconn-technology-group-statement/</a>

Also, WEDC provided the following statement in response to Reuters reporting:

Statement from Wisconsin Economic Development Corporation Secretary & CEO Mark R. Hogan:

"Over the past 45 years, Foxconn's success has been based on the company's ability to foresee and adapt to technological advancements. Foxconn's long-term success both globally and within Wisconsin is centered around the alignment of its business model with ever-changing global economic conditions, including evolving customer demands.

WEDC's performance-based contract with Foxconn provides the company the flexibility to

make these business decisions, and at the same time, protects Wisconsin's taxpayers. As has been reported, Foxconn will not qualify for tax credits until, at the earliest, 2020, and then only if the company meets its annual job creation and capital investment requirements. Our ongoing discussions with company officials reflect Foxconn's continued commitment to the State of Wisconsin."

# Additionally, here is a statement from Mark Hogan on Nikkei's story:

"I have been involved with the Foxconn project from day one and there never have been any side deals and the contract stands on its own. In addition, there have been no attempts by either the company or the Evers' or Walker administrations to renegotiate WEDC's contract.

Governor Evers and his administration have done a very good job of reaching out to company officials and developing a relationship that will protect our taxpayers' interests and at the same time, give Foxconn the ability to be successful in Wisconsin."

Kelly Lietz

Vice President, Marketing and Brand Strategy

Wisconsin Economic Development Corporation

201 W. Washington Avenue

Madison, WI 53703

Ph: 608.210.6858











Website: <a href="http://inwisconsin.com">http://inwisconsin.com</a>

Newsletters: <a href="http://inwisconsin.com/subscribe/">http://inwisconsin.com/subscribe/</a>



From: C.S. Cheng < Chin-Sung @chicagocd.org > Sent: Friday, February 1, 2019 10:47 AM

To: Mark Hogan < mark.hogan@wedc.org >

Cc: Katy Sinnott < katy.sinnott@wedc.org>; Khay Khong < khay.khong@wedc.org>; Henry Ting < enclosed en

Subject: Re: Gov. Tony Evers, Foxconn say Wisconsin project moving forward
Mark,
Thank you very much.
With best regards
鄭錦松
經濟組組長
駐芝加哥台北經濟文化辦事處
Chin-Sung Cheng
Director, Economic Division
Taipei Economic and Cultural Office in Chicago
Tel: +1-
Cell:+1-
Email: Chin-Sung @chicagocd.org
Address: 55 West Wacker Drive, Suite 1200, Chicago, IL 60601, USA
Mark Hogan < mark.hogan@wedc.org > 於 2019年2月1日 週五 上午10:20寫道:
Good morning. I am forwarding your request to Kelly Lietz (WEDC's VP of Marketing & Brand Strategy) & he will provide our official responses from the past couple of days. Have a great weekend Mark
Get Outlook for iOS

From: C.S. Cheng < Chin-Sung @chicagocd.org > Sent: Friday, February 1, 2019 10:12 AM

**To:** Katy Sinnott; Mark Hogan

Cc: Khay Khong; Henry Ting; Maggie Tong

Subject: Fwd: Gov. Tony Evers, Foxconn say Wisconsin project moving forward

Hi Mark and Katy,

Regarding the news article below, do you have any official statement? Could you pass it to me?

With best regards

鄭錦松

經濟組組長

駐芝加哥台北經濟文化辦事處

**Chin-Sung Cheng** 

**Director, Economic Division** 

Taipei Economic and Cultural Office in Chicago

Tel: +1-

Cell:+1-

https://fox6now.com/2019/01/31/gov-tony-evers-foxconn-say-wisconsin-project-moving-forward/

MOUNT PLEASANT — Wisconsin Gov. Tony Evers' administration and Foxconn Technology Group said Thursday that a massive project planned for the state was moving forward,

and disputed Republicans who blamed the new Democratic governor for a change in direction away from manufacturing to more research jobs.

From: To:	Riley Vetterkind Kelly Lietz
Subject:	Request for comment on latest Foxconn development
Date:	Friday, February 1, 2019 1:21:44 PM
Hi Kelly,	
•	the State Journal. I'm sure you've seen Foxconn's latest statement that it plans to move ahead with a unufacturing facility after conducting an evaluation and speaking with President Trump.
	ng this as good news for the state? The factory Foxconn announced will manufacture smaller screens es rather than TVs. Is the WEDC concerned this may end up producing fewer jobs than originally
Is Foxconn's and the WEDC?	nouncement today the result of any negotiations with Gov. Tony Evers, former Gov. Scott Walker or
Is it still your un	derstanding the manufacturing facility will be 3/4 research and engineering staff?
Let me know!	
Thanks,	
Riley	

From: Jela Trask

To: Alan Yeung; Bob O"Brien Robert Schlaeger

Subject: Date: Opportunity for Speaking - Automotive Displays Tuesday, February 5, 2019 7:10:00 PM

Attach

image001.png image002.png image003.png

Hi Alan

Hope all is well! I'm forwarding the below email from Bob O'Brien, who is a nationally recognized display industry subject matter expert, co-founding the Display Supply Chain Consultants firm. They've helped us better understand the market, and as you can see from the below request, would be interested in having you speak at an event focused on automotive displays.

By way of this email, I'm facilitating the introduction but leave it to the two of you to connect as you best see fit.

Thanks!

Jela Trask Key Business Liaison Business & Investment Attraction Director Wisconsin Economic Development Corporation 201 W. Washington Ave Madison, WI 53703

Ph: 608.210.6759







Website: http://inwisconsin.com

Newsletters: http://inwisconsin.com/subscribe/



From: Bob O'Brien Bob @displaysupplychain.com>
Sent: Tuesday, February 5, 2019 3:41 PM

To: Jela Trask < jela.trask@wedc.org>

Subject: Do you have a contact at Foxconn in Wisconsin?

Hi Jela,

Do you have a contact there that you could introduce me to? I'm organizing a conference on automotive displays, and since it looks likely that Foxconn's facility there will work on automotive displays (among other applications), I think it would be great to get a speaker from Foxconn to discuss plans. Is there any way that you could make an introduction?

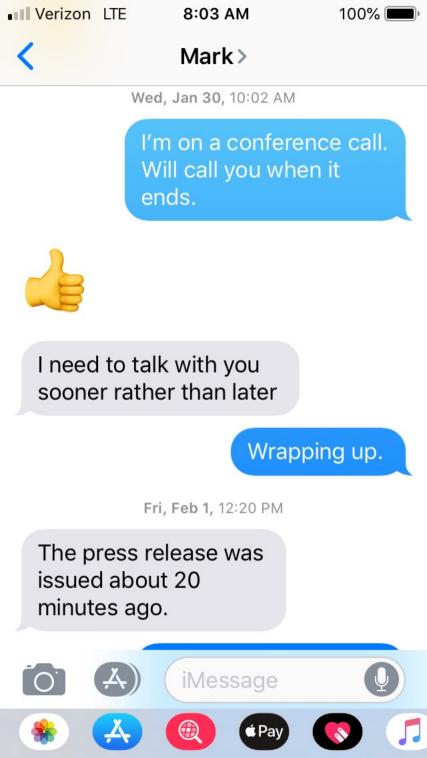
I appreciate your help on this.

Thanks,

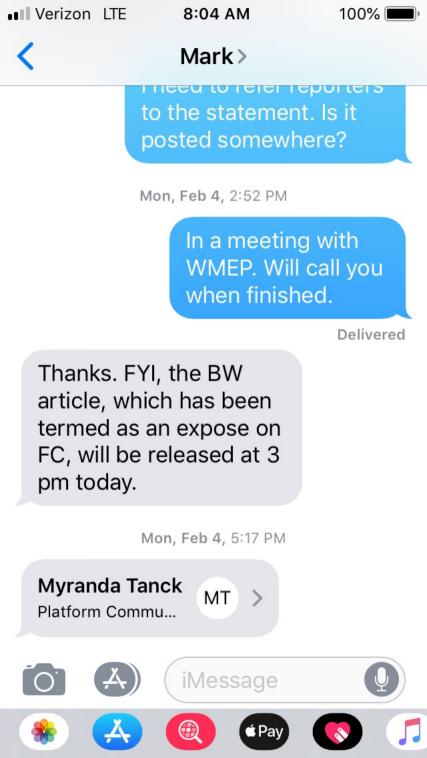
Bob



Bob O'Brien | Co-Founder and President

















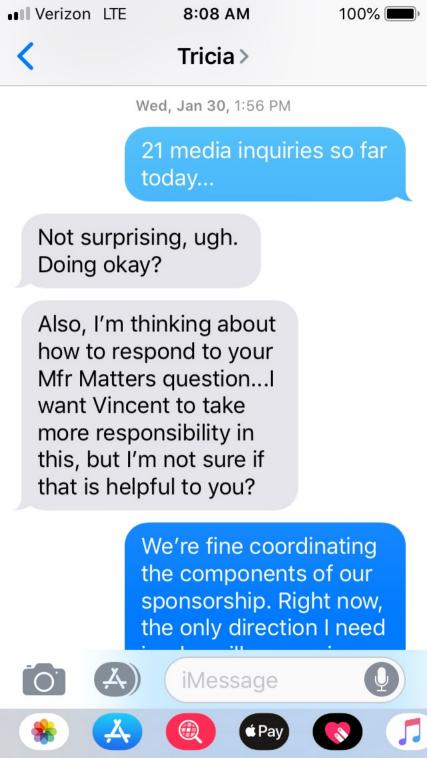


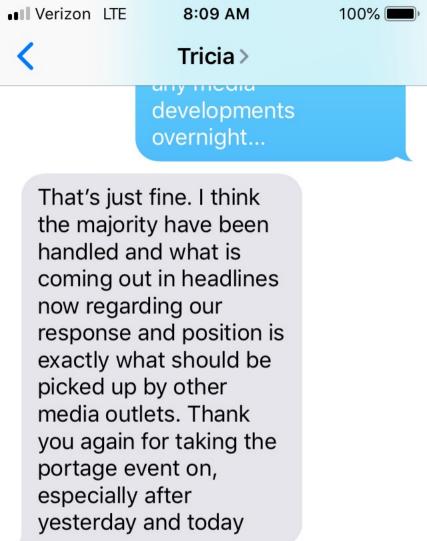




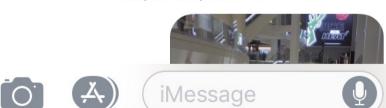








Thu, Jan 31, 8:42 PM





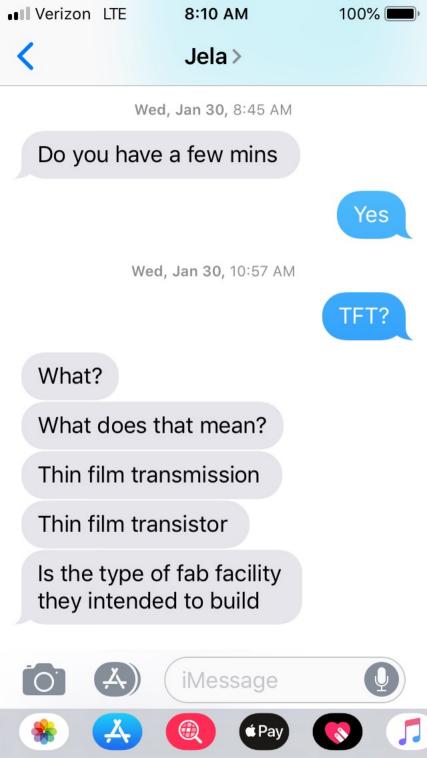














Wed, Jan 30, 8:16 AM

Morning - let me know when you might have a moment to chat re: articles

Wed, Feb 6, 8:23 AM

Inside Wisconsin's Disastrous \$4.5 Billion Deal With Foxconn



Inside Wisconsin's Disastrous \$4.5 Billion Deal With Foxconn

bloomberg.com



## chaure, articles

Wed, Feb 6, 8:23 AM

## Inside Wisconsin's Disastrous \$4.5 Billion Deal With Foxconn



Inside Wisconsin's Disastrous \$4.5 Billion Deal With Foxconn bloomberg.com

Delivered

Thanks. Kelly gave me a heads up as well



I'm on a conference call. Will call you when it ends.



I need to talk with you sooner rather than later

Wrapping up.

Fri, Feb 1, 12:20 PM

The press release was issued about 20 minutes ago.

Can I use the one you emailed me? Or, where else can I find it?

Even though the same words are being quoted in various media outlets, I would prefer not to give out the document in my email.

I need to refer reporters to the statement. Is it posted somewhere?



Can I use the one you emailed me? Or, where else can I find it?

Even though the same words are being quoted in various media outlets, I would prefer not to give out the document in my email.

I need to refer reporters to the statement. Is it posted somewhere?

Mon, Feb 4, 2:52 PM

In a meeting with WMEP. Will call you when finished.

Thanks. FYI, the BW article, which has been termed as an expose on FC, will be released at 3 pm today.

Mon, Feb 4, 5:17 PM





Thu, Jan 31, 8:28 PM

Kelly Lietz



Foxconn going ahead with construction in Wisconsin

cnn.com

Spent quite a bit of time on this one today. Includes many of the points we've made.

KL

Thanks, Kelly. This a very good message. I appreciate your stepping in to help the past couple of days. Hopefully tomorrow will be a bit more normal. - Mark



Thanks, Kelly. This a very good message. I appreciate your stepping in to help the past couple of days. Hopefully tomorrow will be a bit more normal. - Mark

Wed, Feb 6, 6:47 AM

Inside Wisconsin's Disastrous \$4.5 Billion Deal With Foxconn



Inside Wisconsin's Disastrous \$4.5 Billion Deal With Foxconn

bloomberg.com

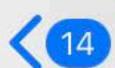
Kelly Lietz



We'll need to develop a statement I can use in response to inquiries in this.

Get <u>Outlook for iOS</u>













Wed, Jan 30, 8:16 AM

Morning - let me know when you might have a moment to chat re: articles

Wed, Feb 6, 8:23 AM

## Inside Wisconsin's Disastrous \$4.5 Billion Deal With Foxconn



Inside Wisconsin's Disastrous \$4.5 Billion Deal With Foxconn

bloomberg.com

## Thanks Kelly gave me a heads





iMessage

















From: <u>Tricia Braun</u>
To: <u>Meredith Traudt</u>
Subject: Text screenshot

**Date:** Thursday, February 21, 2019 4:52:24 PM

Attachments: <u>image1.png</u>

